

SAN FRANCISCO PUBLIC LIBRARY



3 1223 06155 3872

5<sup>th</sup>

CLOSED  
STACKS



*San Francisco Public Library*

GOVERNMENT INFORMATION CENTER  
SAN FRANCISCO PUBLIC LIBRARY  
REFERENCE BOOK

*Not to be taken from the Library*









# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

January 9, 2001  
Special Meeting  
9:00 A.M.

DOCUMENTS DEPT.

JAN 31 2001

SAN FRANCISCO  
PUBLIC LIBRARY



ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**

President

**LARRY MAZZOLA**

Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**

Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Digitized by the Internet Archive  
in 2013

<http://archive.org/details/6minutes2001sanf>

Minutes of the Airport Commission Special Meeting of  
January 9, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meetings of November 21, 2000 and December 5, 2000	01-0001	3
D.		SPECIAL ITEM:		
	1.	Retirement Resolution - Mr. Ryan Haynes	01-0002	3
	2.	Retirement Resolution - Mr. Peter Johansen	01-0003	3-4
	3.	Retirement Resolution - Mr. Elmer Whelpley	01-0004	4
E.		DIRECTOR'S REPORTS:		
	4.	ShuttlePort/DAJA Curbside Management Contract		4-6
F.		ITEMS INITIATED BY COMMISSIONERS:		
		Airline Baggage Claim Checks		6-7
G.		POLICY:		
	5.	"Wings of the Phoenix" Official History of SFO	01-0005	7
H.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	6.	Modification No. 6 to Contract 5500F - International Terminal Baggage System - BAE Automated Systems Inc.	01-0006	8
I.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	7.	Rate Increase for Short-Term Public Parking	01-0007	8-9
	8.	Award Contract 3565A - Terminal Upper Level Viaduct - Resurfacing, Phase A - Cone Engineering Contractors , Inc.	01-0008	9
	9.	Rescind Award of High Speed Wireless Internet Master Lease to Aerzone and Award Lease to		





J. CONSENT CALENDAR OF ROUTINE  
ADMINISTRATIVE MATTERS:

- |     |  |         |       |
|-----|--|---------|-------|
| 10. | Award Contract 4299 - International Terminal<br>Hair Salon - Agbayani Construction Corp.   | 01-0010 | 10-11 |
| 11. | Award Contract 3797R - Utilities Cathodic<br>Protection Improvements - Corpro Companies,<br>Inc.   | 01-0011 | 11    |
| 12. | Modification No. 1 to Memorandum of Under-<br>standing (MOU) with San Francisco Bay<br>Conservation and Development Commission<br>(BCDC) to Review Permits for a Potential<br>Runway Reconfiguration Project | 01-0012 | 11    |
| 13. | Bid Call - Contract 3590A - South Detention<br>Pond Improvement, Phase A   | 01-0013 | 11    |
| 14. | Bid Call - Contract 4372 - Airport-Wide<br>As-Needed Utility Repairs 2000/2001   | 01-0014 | 11    |
| 15. | Bid Call - Contract 4177 - North Access Road<br>Spur Trail   | 01-0015 | 11    |
| 16. | Bid Call - Contract 3303G - Sewer System<br>Improvement, Phase VII   | 01-0016 | 12    |
| 17. | Bid Call - Contract 3996B - Multi-Modal<br>Transportation Center, Phase B  | 01-0017 | 12    |
| 18. | Bid Call - Contract 3830.1 - United Airlines<br>Pedestrian Overcrossing - Seismic Retrofit   | 01-0018 | 12    |
| 19. | Consent to Deemed Assignment of Lease<br>and Concession Agreement Assignment<br>Resulting from Sale of Avis Stock to its<br>Major Stockholder, Cendent   | 01-0019 | 12    |

K. NEW BUSINESS: 12

L. CORRESPONDENCE: 12

M. CLOSED SESSION: 13

Potential Litigation.

N. ADJOURNMENT:

5 48537 SFPL: ECONO JRS  
105 SFPL 08/02/02 49





# AIRPORT COMMISSION SPECIAL MEETING MINUTES

January 9, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton  
Hon. Caryl Ito

Absent: Hon. Larry Mazzola, Vice President

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meetings of November 21, 2000 and December 5, 2000 were adopted unanimously.

No. 01-0001

\* \* \*

## D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

### 1. Retirement Resolution for Mr. Ryan Haynes

No. 01-0002

Mr. John Martin, Airport Director explained that Ryan Haynes has spent six of his 20 years with the City at the Airport. Mr. Haynes played a lead role in developing the staffing projections for the new International Terminal.

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Berman. The vote to approve was unanimous.

### 2. Retirement Resolution for Mr. Peter Johansen



No. 01-0003

Mr. Martin said that Mr. Johansen is an outstanding employee. Mr. Johansen, an Electrician Supervisor, has been with the City for 27 years, nine of which were spent at the Airport.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Retirement Resolution for Mr. Elmer Whelpley

No. 01-0004

Mr. Martin said that Mr. Whelpley is an Light Fixture Maintenance worker who has spent 20 of his 36 years with the City at the Airport. He will be missed by his fellow workers

\* \* \*

E. DIRECTOR'S REPORTS:

4. ShuttlePort/DAJA Curbside Management Contract

Report by the Director on the Board of Supervisors action on the ShuttlePort/DAJA contract option and the options for future Commission action.

Mr. Martin explained that the City Charter requires that any contract exceeding \$10 million must seek approval from the Board of Supervisors. The Finance Committee did not approve the additional funding.

We have funds to carry the contract through September 1. The choices available to the Commission are to (1) return to the Board of Supervisors to request the funding and exercise the second year option on this contract. (2) To immediately begin an RFP process to have a new contractor in place on September 15. (3) Some combination where the Board of Supervisors provides some level of additional funding to give us some additional time and contingency in our schedule for doing the RFP. Failing receiving that level of funding and possibly running into delays in the RFP process, we would be face with cutting service and laying off employees. We would probably cut the Curbside Management Program for either scheduled buses or for limousines as the first step. Correspondingly, we would roll back the rates for the ground transportation operators because we could not charge them for a service that is no longer being provided.

ShuttlePort/DAJA is doing an excellent job and we are pleased with the level of service they are providing. Our Ground Transportation Program continues to be viewed as a model by other airports throughout the country.





Mr. Martin said that he outlined to the Finance Committee in his presentation that City procedures were strictly followed in the selection process. He stands behind and he stands behind the integrity of that process. There is no reason not to extend this contract.

Commissioner Ito said that she is not clear on the Board's authority in this instance. She listened to the replay of the Finance Committee's hearing where Mr. Martin testified. The action requested by Supervisor Yee was to table this contract for review. She did not understand that we were being charged, although strongly suggested, that an RFP be issued.

The Airport Commissioner voted unanimously to continue this contract. Why is the Commission's authority is being questioned after they were provided with adequate information. She did not understand from the Finance Committee hearing that the Supervisors were accusing the Commission or the contractor of not fulfilling the contract. There were certain stipulations recommended by the Finance Committee that were complied with. She does not understand what is happening.

Ms. Mara Rosales, Airport General Counsel explained that the Board of Supervisors does not have the authority to direct a Commission to initiated a Request for Proposal process. She understood the Committee to strongly urge the Commission to undertake an RFP process.

The Committee does have the authority to approve contracts that exceed \$10 million, so the Commission's authority is limited to the \$10 million mark. The Commission will not longer have the authority to expend money on this contract under the Charter.

Commissioner Ito said that she needs more specifics. The public comment she heard was positive and helpful. Supervisor Ammiano's questions about why we are spending all of this money. No one else is spending this kind of money. No one else is doing anything like this. Why just one provider doing the coordination. We have to remind the Board that this Airport has done due diligence in this contract. The process took two years of study on the effectiveness of what type of curbside management would work and improve our traffic flow.

Perhaps the Board lacked sufficient information. The public comments were inadequate to derail this contract. We need to keep in mind that the contract participant is a woman/minority-owned business. She would like information on how many minority workers would be impacted if this contract is derailed.

We have met several goals in our attempt, not only in the efficiency of traffic flow, but in providing access for prime contracts for women of color. She is concerned about the costs involved in putting another RFP out for no specific reasons as to what is wrong with what we are doing. If we need to tinker with the costs, a review could be the next step.

We do not have adequate information from that hearing.





Commissioner Crayton believed that this contract was benefitting the citizens of San Francisco and was the best use of our dollars.

She would like a report submitted to the Finance Committee indicating the number of employees that would be impacted, how this is benefitting the Airport and why we need the level of service that we have.

She hoped that clearer heads would prevail on this issue.

Mr. Martin said that he will prepare a report to the new Finance Committee which would include the background on the contract, responding to specific issues raised at the last Finance Committee meeting, and again request the full level of funding required to exercise the option. He will call upon one or two Commissioners to attend and speak at the Finance Committee meeting.

Commissioner Strunsky asked when the contract expires.

Mr. Martin said that the Commission has exercised the second year option, but the level of funding available up to the \$10 million would only carry us through September 1. If they continue beyond September 1 we have to cut services.

He will go back to the Finance Committee in two weeks to request full funding approval necessary. If he fails to receive that approval he will return to the Commission. Failing receipt of full funding, services will have to be cut in order to insure that we could follow a new RFP process and have a new contractor in place.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton said that a receipt newspaper article noted that there are no luggage checkers at the Airport.

Mr. Martin responded that a Supervisor Ammiano asked why luggage is not checked against claim checks at SFO.

The reason is that the airlines report that there is a very low theft rate at SFO and it is not cost effective. It is more cost effective for them to reimburse passengers on those rare occasions when luggage is stolen.

We have found that over the years there are luggage theft rings that periodically come through. Our police department is very good at catching them quickly. When you consider that out of 53 passenger airlines at SFO, not one of those airlines have found it important to provide that service. It speaks to our low crime rate. Airports like Kennedy have high crime rates. He is told that their crime rate is due, in part, to the subway access.

Supervisor Ammiano has introduced resolution to the Board relative to this issue.



Mr. Peter Nardoza, Deputy Director, Public Affairs explained that Supervisor Ammiano introduced, and the Board unanimously adopted, a resolution urging this Commission to direct its airlines to provide this service. He is told by the Mayor's Office that the Mayor does not intent to sign this resolution. He will send it back to the Board unsigned.

A letter to Supervisor Ammiano has been drafted for the Director's signature stating that while we understand his concerns, we do not see the need for this program at this time.

\* \* \*

#### G. POLICY:

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

5. "Wings of the Phoenix" Publication to Become Official History of San Francisco International Airport

No. 01-0005 Resolution designating "Wings of the Phoenix" as the official history of San Francisco International Airport.

Mr. Ron Wilson, Director, Community Affairs explained that the project to document and preserve the history of San Francisco Airport and aviation in general in the Bay Area.

Extensive research was done, including oral histories of past Commissioners, Directors and Administrators, inventories of collections of the labor libraries in San Mateo and San Francisco Public Libraries, the Library of Congress, the Bancroft Library at UC Berkeley, the historical section at Stanford University and other research.

Mr. Don Shoecraft was hired to author the book. Mr. Shoecraft was a reporter for the San Francisco Progress.

He asked the Commission to vote to make this publication the official history of San Francisco Airport. It has been distributed to Congressional representatives, the Mayor, various libraries in the community.

Commissioner Ito hoped that it would receive wider distribution.

Mr. Wilson responded that it could be distributed within the Airport shops, local bookstores, and perhaps worldwide distribution.

\* \* \*

#### H. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.





6. Modification No. 6 to Contract No. 5500F - International Terminal Baggage System - BAE Automated Systems Inc. - \$794,917

No. 01-0006 Resolution approving Modification No. 6 to Contract 5500F, International Terminal Baggage System, with BAE Automated Systems Inc., in the amount of \$794,917 to purchase maintenance stock of spare parts. Funding source is Program Reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that as part of the contract close-out procedures, the Airport needs to purchase the required stock of spare parts to ensure the reliable operation and maintenance of the baggage handling system.

As originally contemplated, the comprehensive list of spare parts was developed during the completion phase of the contract, incorporating all the changes and modifications to the system during its design and installation.

The modification has been reviewed and approved by the Master Plan Advisory Board and funding will be provided initially by the contract's contingency and program reserves, and later to be refunded by SFO Tech, the final operator of the system.

The contract's MBE/WBE subcontractor participation through this modification will be at the 9.49% combined participation level, considerably in excess of the base contract's 5% goal and 5.28% original commitment.

Commissioner Ito asked how the system is operating.

Mr. Kardos responded that the system is operating reliably. There are some integration issues that we are refining and the high level of sophistication of the surveillance system continues to be refined and perfected.

There have been no complaints so far.

\* \* \*

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 7, as amended, was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Approval of Rate Increase for Short-Term Public Parking

No. 01-0007 Resolution establishing a revised rate schedule for short-term public parking facilities.

Mr. Martin explained that this item will increase the rate in the two new parking garages in front of the International Terminal to match the central garage. It will also do away for the discounted rate for the first day of parking, making it \$35 for



each day of parking in each of the facilities. The Valet Parking rate will increase to \$45 a day. The Lot D (long term parking lot) rate will increase to \$15 per day.

We now have adequate space, however, it requires active management in order to avoid closing the long term lot or central garage. Closure of the central garage was always a threat on weekdays when we experience heavy traffic by the business traveler. The lot term lot had the same closure threat on weekends.

With space available in the three central garages, we have instituted a voucher program for long term parkers who are turned away from the long term lot when it is full. They can park in the central garages at the same rate.

Item No. 8 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

8. Award of Contract No. 3565A - Terminal Upper Level Viaduct - Resurfacing, Phase A - Cone Engineering Contractors, Inc. - \$2,562,800

No. 01-0008 Resolution awarding Contract 3565A, Terminal Upper Level Viaduct - Resurfacing, Phase A, to the lowest responsive, responsible bidder, Cone Engineering Contractors, Inc., in the amount of \$2,562,800.

Mr. Jackson Wong, Chief Operating Officer explained that this is the first of a series of contracts that will provide maintenance and repair to our existing upper roadways in front of our existing terminals.

Phase A, before the Commission, will resurface and repair two of the four lanes in front of the East and South Terminals. This project was part of the 1999 Capital Improvement Plan.

Two bids were received on December 5, 2000. The apparent low bid was submitted by Cone Engineering.

Commissioner Strunsky noted that there is a 46% difference between the two bids. He asked if we are comfortable in this bid.

Mr. Wong responded that bids for this contract were rejected for being over budget. The scope was reduced. The work will be done from midnight to 6:00 A.M. This is not work that is normally done so it is an issue of managing and watching the contractor.

Item No. 9 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

9. Rescind Award of High Speed Wireless Internet Master Lease to Aerzone and Award the Lease to Wayport - Minimum Annual Guarantee: \$80,000



No. 01-0009

Resolutions rescinding the award of the High Speed Wireless Internet Master Lease to Aerzone and award the lease to Wayport with a first year Minimum Annual Guarantee of \$80,000.

Mr. Bob Rhoades, Deputy Director, Business explained that on October 26, 2000 the Airport received three proposals ... Aerzone, Wayport and Airwave. An independent panel reviewed the proposals. All three companies met the minimum qualifications with Aerzone scoring the highest and subsequently was awarded the contract.

On December 19, 2000, SoftNet Systems, Inc., Aerzone's parent company, announced plans to discontinue operations of Aerzone. The Airport received this information in writing on December 23.

Wayport is the next most qualified and responsive proposer and has demonstrated its ability to fulfill the Airport's needs. It currently operates the internet services and DFW and the New York airports.

Staff recommends rescinding Resolution No. 00-0409, awarding the lease to Aerzone, and to award the lease to Wayport, pending a determination by the Human Rights Commission that Wayport complies with the Equal Benefits Ordinance.

Wayport's first years minimum annual guarantee is \$80,000.

Further, Aerzone, forfeits its bid bond in the amount of \$30,000.

\* \* \*

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 10 through 19 were moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

10. Award of Contract 4299 - International Terminal Hair Salon - Agbayani Construction Corporation - \$288,000

No. 01-0010

Resolution awarding Contract 4299, International Terminal Hair Salon, to the lowest responsive, responsible bidder, Agbayani Construction Corporation, in the amount of \$288,000.

Commissioner Strunsky noted that there is a significant difference between the two bids. Are we comfortable with this bid?

Mr. Amir Koleini, Airport Architect responded that the architect's estimate was \$310,000. Staff was concerned about the difference in bids and both contractors were contacted. The first was concerned about the union issues and he was not going to take a risk so he increased his bid to cover any possible future union participation.





The second bidder verified that he was confident that he could do the job for the price bid. We have had experience with Agbayani and we have no doubt that he can do the job

11. Award Contract 3797R - Utilities Cathodic Protection Improvements - Corrpro Companies, Inc. - \$218,000

No. 01-0011 Resolution awarding Contract 3797R, Utilities Cathodic Protection Improvements, to the lowest responsive, responsible bidder, Corrpro Companies, Inc., in the amount of \$218,000.

12. Modification No. 1 to Memorandum of Understanding with the San Francisco Bay Conservation and Development Commission for Review of Permits for a Potential Runway Reconfiguration Project - \$250,000

No. 01-0012 Resolution approving Modification No. 1 to Memorandum of Understanding with the San Francisco Bay Conservation and Development Commission for Review of Permits for a Potential Runway Reconfiguration Project in an amount not to exceed \$250,000.

13. Bid Call - Contract 3590A - South Detention Pond Improvement, Phase A

No. 01-0013 Resolution approving the scope, budget and schedule for Contract No. 3590A, South Detention Pond Improvement, Phase A, and to authorize the Director to call for bids when ready.

14. Bid Call - Contract 4372 - Airport-Wide As-Needed Utility Repairs, 2000/2001

No. 01-0014 Resolution approving the scope, budget, and schedule for Contract No. 4372, Airport-Wide As-Needed Utility Repairs 2000/2001, and to authorize the Director to call for bids when ready.

15. Bid Call - Contract 4177 - North Access Road Spur Trail

No. 01-0015 Resolution approving the scope, budget, and schedule for Contract No. 4177, North Access Road Spur Trail, and to authorize the Director to call for bids when ready.



16. Bid Call - Contract 3303G - Sewer System Improvement, Phase VII

No. 01-0016

Resolution approving the scope, budget, and schedule for Contract No. 3303G, Sewer System Improvement, Phase VII, and to authorize the Director to call for bids when ready.

17. Bid Call - Contract 3996B - Multi-Modal Transportation Center, Phase B

No. 01-0017

Resolution approving the scope, budget, and schedule for Contract No. 3996B, Multi-Modal Transportation Center, Phase B, and to authorize the Director to call for bids when ready.

18. Bid Call - Contract 3830.1 - United Airlines Pedestrian Overcrossing - Seismic Retrofit

No. 01-0018

Resolution approving the scope, budget, and schedule for Contract No. 3830.1, United Airlines Pedestrian Overcrossing - Seismic Retrofit, and authorizing Director to call for bids when ready.

19. Consent to Deemed Assignment of Lease and Concession Agreement Assignment Resulting from Sale of Avis Stock to its Major Stockholder, Cendent

No. 01-0019

Resolution consenting to the deemed assignment of Lease and Concession Agreement assignment resulting from stock sale.

\* \* \*

K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

L. CORRESPONDENCE:

There was no discussion by the Commission.





\* \* \*

M. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 9:55 A.M. and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

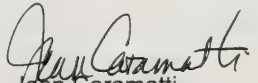
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:03 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

N. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:05 A.M.

  
Jean Caramatti  
Commission Secretary



45  
2  
23/01  
Special

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

January 23, 2001  
Special Meeting  
9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128

DOCUMENTS DEPT

FEB 15 2001

SAN FRANCISCO  
PUBLIC LIBRARY



Minutes of the Airport Commission Special Meeting of  
January 23, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of December 19, 2000 and the Special meeting of January 9, 2001	01-0020	4
D.		SPECIAL ITEMS:		
	1.	Election of Officers	01-0021	4
	2.	Retirement Resolution - Joseph Figone	01-0022	4
	3.	Retirement Resolution - Ricardo Pasaoa	01-0023	5
	4.	Retirement Resolution - John Wang	01-0024	5
E.		ITEMS INITIATED BY COMMISSIONERS:		
		Workforce Diversity Update		5
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	5.	Modification No. 12 to Contract 5515C - Security & Special Systems, Terminal Systems - SASCO Electric	01-0025	5-6
	6.	Modification No. 10 to Contract 5515B - Security & Special Systems, Facility Systems - HSQ Technology, A Corp.	01-0026	6
	7.	Modification No. 6 to Contract 5515A - Security & Special Systems, Security Systems - AMELCO Electric	01-0027	7
	8.	Modification No. 10 to Contract 5900D - Elevated & Surface Circulation Roadways - Myers/Kulchin Condon, A Joint Venture	01-0028	7-8
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	9.	Award Professional Services Contract 7000.1 - Cost & Schedule Control Services and Other		





	Resources for the Runway Reconfiguration Program - DMC Airfield Engineers, A Joint Venture		8-11
10.	Award Contract 3836 - West Field Security Checkpoints - Ghilotti Brothers, Inc.	01-0029	11
11.	Award Contract 1896D - Field Lighting Raceway Systems, Phase IV - Julie Cannon Engineering Corp.	01-0030	11
12.	Airline Rates and Charges Adjustment	01-0031	12
H.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
13.	Modification No. 4 to Professional Services Contract 5905 - Design of Inbound/Outbound Ramps and Structures - Parsons Brinckerhoff Quade & Douglas/Manna Consultants, a JV	01-0032	12
14.	Request Proposals for Short List of Consultants for Planning, Environmental Planning and Engineering On-Call Services	01-0033	13
15.	Award Contract 4114A - Airfield Shoreline Protection Restoration, Phase 1 - JMB Construction, Inc.	01-0034	13
16.	Modification No. 1 to Professional Services Contract - BridgeNet Consulting Services International	01-0035	13
17.	Bid Call - Contract 4094 - As-Needed Pavement Repair & Construction, 2001-02	01-0036	13
18.	Bid Call - Contract 4362 - Alternate Point of Entry (APOE) Building	01-0037	13-14
19.	Bid Call - Contract 4355 - Cargo Building 648 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor Corridors	01-0038	14
20.	Authorization to Accept Proposals for Cellular Phone Rental Service Lease	01-0039	14
21.	Approve Lease Specifications and Authorize Pre-Bid Conference for North Terminal Candy Store Lease	01-0040	14
22.	Authorize a Six-Month Trial of Internet Access Equipment and Service	01-0041	14



23.	Modification No. 1 to Reimbursement to FAA to Relocate Runway 19R's Visual Guidance Lighting System	01-0042	14
I.	NEW BUSINESS:		15
J.	CORRESPONDENCE:		15
K.	CLOSED SESSION:		
	Potential Litigation		15
L.	ADJOURNMENT:		15





# AIRPORT COMMISSION SPECIAL MEETING MINUTES

January 23, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 19, 2000 and January 9, 2001 were adopted unanimously.

No. 01-0020

\* \* \*

## D. SPECIAL ITEM:

Commissioner Strunsky nominated Commissioners Berman and Mazzola for President and Vice President respectively, with a second by Commissioner Crayton. The vote to approve was unanimous.

### 1. Election of Officers

No. 01-0021

### 2. Retirement Resolution for Mr. Joseph Figone

No. 01-0022

Mr. John Martin, Airport Director said that Mr. Figone was employed as a plumber at the Airport for 18 years. We wish him well in his retirement.



3. Retirement Resolution for Mr. Ricardo Pasaoa

No. 01-0023

Mr. Martin said that Mr. Pasaoa has been an Associate Civil Engineer for 31 years, 24 of which have been spent at the Airport. We wish him well in his retirement.

Mr. Pasaoa said that the Airport has been very good to him. He thanked Mr. Baljit Bopari, Mr. Jackson Wong, Mr. Ernie Eavis for their support and for the opportunity to work at the Airport.

4. Retirement Resolution for Mr. John Wang

No. 01-0024

Mr. Martin said that Mr. Wang has been an Associate Mechanical Engineer at the Airport for the past 13 years. We wish him well in his retirement.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito acknowledged the update provided by Theresa Lee and Gloria Louie on workforce diversity.

\* \* \*

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 5 was moved by Commissioner Berman and seconded by Commissioner Strunsky. The vote to approve was unanimous.

5. Modification No. 12 to Contract No. 5515C - Security and Special Systems - Terminal Systems - SASCO Electric - \$2,283,793

No. 01-0025

Resolution approving Modification No. 12 to Contract 5515C, Security and Special Systems - Terminal Systems, with SASCO Electric, in the amount of \$2,283,793 for design changes related to the systems and facilities interface. Funding sources are transfers from the Capital Improvement Program budget, Program Reserve, the Airport's contribution to the BART/SFO Extension and the contract's contingency budget.

Mr. Tom Kardos explained that the modification is a compilation of changes associated with the Airport's expanded voice and data infrastructure, changes facilitating operational enhancements, facilities and systems interface issues



and some minor items associated with BART operations.

We obtained the approval of the Master Plan Advisory Board and included the costs into our quarterly reports submitted to the Commission. Funding sources are the Airport's Capital Improvement Program (CIP) budget, the contract's contingency budget, program reserve and the Airport's contribution to the BART/SFO extension.

The scope of this modification does not provide for MBE/WBE subcontracting opportunities. Currently, the cumulative totals, including this modification, are at the 7.5% MBE and 1.9% WBE participation levels which are slightly lower than the base contract's 8% and 2% respective goals which remain unchanged for the ultimate performance of the contract.

Commissioner Strunsky asked if these change orders affected the last project forecast.

Mr. Kardos responded that they do not.

Item No. 6 was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

6. Modification No. 10 to Contract No. 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation - \$1,429,131

No. 00-026	Resolution approving Modification No. 10 to Contract 5515B, Security and Special Systems - Facility Systems, with HSQ Technology, A Corporation in the amount of \$1,429,131 for design changes related to the building and systems interface. Funding sources are from the available current budget, transfers from Capital Improvement Program budget, Program Reserve and the Airport's contribution to the BART/SFO Extension.
------------	--

Mr. Kardos explained that the proposed modification comprises changes associated with the completion of the facilities' fire alarm system, the supervisory control and data acquisition system and BART-related fire alarm system revisions.

The modification has been approved by the Master Plan Advisory Board and the cost was included in our quarterly forecast.

The modification's 9.8% MBE and 12.8% WBE participation and the overall contract's 14.6% MBE and 11.3% WBE subcontractor participation levels are well in excess of the base contract's 8% and 2% respective commitments.





Item No. 7 was moved by Commissioner Strunsky and seconded by Commissioner Berman. The vote to approve was unanimous.

7. Modification No. 6 to Contract No. 5515A - Security and Special Systems - Security Systems - AMELCO Electric - \$1,424,508

No. 01-0027

Resolution approving Modification No. 6 to Contract 5515A, Security and Special Systems - Security Systems, with AMELCO Electric, in the amount of \$1,424,508 for design changes related to access control and building interface issues. Funding source are transfers from Program Reserve, Contract Contingency and Capital Improvement Program budget.

Mr. Kardos explained that this modification incorporates into Contract No. 5515A changes associated with the final configuration of the access control system both in the Federal Inspection Services and Airside Operations areas.

The changes have been reviewed and approved by the Master Plan Advisory Board and the cost has been part of our forecast presented to the Commission in the quarterly reports. Funding sources are the contract's contingency budget and program reserve.

The 9% MBE and 11% WBE participation in this modification exceeds the base contract's 8% and 2% respective goals. The cumulative totals for the contract including this modification will be at the 8% MBE and 4% WBE participation levels, exceeding the base contract's goals.

Item No. 8 was moved by Commissioner Berman and seconded by Commissioner Strunsky. The vote to approve was unanimous.

8. Modification No. 10 to Contract No. 5900D - Elevated and Surface Circulation Roadways - Myers/Kulchin-Condon, A Joint Venture - \$860,000

No. 01-0028

Resolution approving Modification No. 10 to Contract 5900D, Elevated and Surface Circulation Roadways, with Myers/Kulchin-Condon, A Joint Venture, in the amount of \$860,000. Funds provided from the project contingency budget.

Mr. Kardos explained that the proposed modification incorporates various change orders into Contract No. 5900D, covering tasks in the areas of utility work, communications system revisions, landscape modifications and activation related items.

The changes have been approved by the Master Plan Advisory Board and the costs have been forecasted in our quarterly report. Funding source for this



modification is the contract's contingency budget.

\$710,000 of the modification, or approximately 82%, covers work performed by MBE and WBE subcontractors, bringing the cumulative values of the contract to 18.4% and 15% respective levels, in substantial compliance with the base contract's 19.8%/10.9% original commitment.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 9 was put over.

9. Award of a Professional Services Contract No. 7000.1 - Cost and Schedule Control Services and Other Resources for the Runway Reconfiguration Program - DMC Airfield Engineers, A Joint Venture - \$7,500,000

Resolution approving Professional Services Contract 7000.11 for Cost and Schedule Control Services and other Resources for the Runway Reconfiguration Project to DMC Airfield Engineers, A Joint Venture, in an amount not to exceed \$7,500,000.

Mr. Stuart Sunshine, Director, Airfield Development explained that the proposed resolution awards this Professional Services Contract to the Joint Venture of DMJM Aviation, Mendoza and Cabellon in an amount not-to-exceed \$7,500,000.

The scope of work includes updating schedules, preparing detailed monthly schedules, preparing monthly cost and budget reports, monthly briefings, monitoring program costs and expenditures, anticipating and reporting potential problems, developing procedures manuals for the program, providing expertise in a number of specialized areas including document control, procedures writing, communications and community outreach.

This is expected to be a five to six year contract with the cost for the first year at \$7,500,000. The Airport DBE office has established and will monitor the DBE participation for this Federally funded project. The goal for this contract is 23%.

Commissioner Strunsky asked about the selection process.

Mr. Sunshine responded that this contract followed City procedures, as well as Federal requirements since it is Federally funded.

The selection committee was made up of representatives from the Airport, the City's Controller's Office, and from BART.

The initial attempt to put this contract out to bid resulted in only two respondents. The contract was then rescope and put out to bid again. The



second attempt resulted in bids from four teams.

All four teams currently have Airport contracts and they are familiar with our procedures. The selection criteria followed standard City and Federal requirements.

Commissioner Crayton asked if any of these contractors had greater experience in cost control with the Airport.

Mr. Sunshine responded that DMJM has cost control experience at Philadelphia Airport, Salt Lake City, Dulles International and Reagan Airport in Washington, D.C. They have also done cost control for Pier 400 in Los Angeles, a marine structures program very similar to the runway program.

Commissioner Ito said that this contract went out over a year ago for \$2 million but we failed to receive a strong response. The scope of work was then increased with a budget of \$9 million. This particular contract is \$7.5 million. The Commission approved a modification for a transition fund of \$3 million to Luster. The scope of work that we initially increased to \$9-million has not changed. Is Luster providing some of the oversight in the transition?

Mr. Sunshine responded that that is correct. We do not have a cost resources consultant or contractor on this project. In the interim we have been using the same organization that was involved with cost resources for the Master Plan.

Commissioner Strunsky asked if this funding will take us to 2002.

Mr. Sunshine responded that most likely this funding will not be used until next year.

Commissioner Strunsky asked if this funding will take us to the draft Environmental Impact Report (EIR).

Mr. Sunshine responded that it will because we plan on having the draft EIR by the end of this year.

Commissioner Strunsky assumed that the draft EIR and the cost studies will be tied together. We will know what the costs are based on the draft EIR.

Commissioner Crayton asked if the \$7.5 million is for the next two years? Will they receive another \$7.5 million for the two years following that?

Commissioner Mazzola remarked that this is "subject to final negotiations for a fair fee." Is the Commission passing this contingent on negotiating a fair fee? If you are unable to negotiate a fair fee, will you return to the Commission?

Mr. Sunshine responded that if we are unable to negotiate a fair fee we will return to the Commission and go to the number two team.

Commissioner Mazzola felt that the cart was being placed before the horse on





this item. Why isn't the fee fixed before the Commission receives it?

Mr. Sunshine responded that it is his understanding that this is standard procedure with Airport resolutions. Perhaps Mr. Martin could explain.

Mr. Martin responded that the resolution could be modified today to authorize staff to enter into fee negotiations with the DMJM group and staff would return to the Commission after the fees have been negotiated.

Commissioner Mazzola asked how we can arrive at a "fair fee" if the contractor knows there is \$7.5 million on the table.

Commissioner Crayton agreed with Commissioner Mazzola. Why would DMJM negotiate a fee for less than what they know is on the table? She is uncomfortable approving this item before completion of the negotiations.

Commissioner Strunsky asked if this is standard. Many Professional Services Contracts have been approved in the past that are not lump sum contracts.

Mr. Martin responded that on Bureau of Design and Construction architecture/ engineering and construction management contracts the basic rates were negotiated.

Mr. Kardos responded that there are a number of steps we go through. In this instance, the resolution is not worded properly.

The process includes authorization to issue a Request for Proposals (RFP), staff then goes through the competitive process, staff returns to the Commission requesting approval of a selection, in this case the DMJM Joint Venture. Once the selection and budget are approved staff negotiates the exact scope, acceptable hourly rates, reimbursable costs, etc. Once the negotiation is completed and we have a bottom line figure, staff returns for authorization of the contract itself. The disconnect here is with the approval of the selection as opposed to the contract itself.

Mr. Martin said that we need to make it consistent. We will return to the Commission for final approval of the contract terms.

Mr. Kardos added that the resolution can be modified to indicate that staff is requesting Commission approval of the DMJM Joint Venture.

Commissioner Mazzola asked if we can do that and take the money out of the resolution. In that way, funding is not approved by this Commission and the playing field is kept level.

Mr. Kardos agreed.

Commissioner Ito said that when these firms bid on this contract it was for \$9 million. They are under the impression that they are negotiating within \$9 million framework, not \$7 million.



Mr. Kevin Kone, Airfield Development agreed.

Mr. Kardos responded that the issue is that Professional Services Contracts are usually cost reimbursables with a fixed fee. We have to establish a definite scope for a particular duration. In this case, we are suggesting that for the next year we will establish the absolute scope necessary for the controls and processes we are going to implement and then return to the Commission for a request for contract approval.

The \$7.5 million stated in this item is a not-to-exceed budgetary figure. It is not necessarily a fixed figure that they bid on. The definition of the scope is up to the Airport.

Commissioner Strunsky expressed his confusion over this issue. He suggested putting this item over and returning at a later meeting with a clearer resolution. He would agree to a special meeting to deal with this item, if necessary.

Item No. 10 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

10. Award of Contract No. 3836 - West Field Security Checkpoints - Ghilotti Brothers, Inc. - \$2,152,530

No. 01-0029                      Resolution awarding Contract 3836, West Field Security Checkpoints, to the lowest responsive, responsible bidder, Ghilotti Brothers, Inc., in the amount of \$2,152,530.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance said that Ghilotti, the low bidder, meets the M/WBE contract goals by proposing to use 43.7% MBE /5.8% WBEs.

Item No. 11 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

11. Award of Contract No. 1896D - Field Lighting Raceway Systems - Phase IV Julie Cannon Engineering Corporation - \$1,194,530

No. 01-0030                      Resolution awarding Contract 1896D, Field Lighting Raceway Systems - Phase IV, to the lowest responsive, responsible bidder, Julie Cannon Engineering Corporation, in the amount of \$1,194,530.

Mr. Eavis explained that this resolution awards the fourth phase of the Field Lighting Raceway Systems. Since this is a Federally funded contract and the DBE goals can be met by the prime contractor, the DBE participation is 100%.



Item No. 12 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

12. Airline Rates and Charges Adjustment

No. 01-0031                      Resolution approving the Fiscal Year 2000/01  
airline terminal rental rates adjustment.

Mr. Martin explained that this item adjusts the airline terminal rental rates for FY 2000/01. The Airport/Airline Lease and Use Agreement provides that if expenditures are projected to exceed revenues by more than 10% in any year, the rates can be adjusted during that year.

We are proposing a rate adjustment of \$20 million which represents 12% of total airline rates and charges for the year.

The primary reason for the increase is the late opening of the terminal and the effect it had on revenues, and the additional activation expenses related to the terminal opening.

Commissioner Strunsky asked Mr. Martin if he expected these rates to be rolled back the next time.

Mr. Martin responded that we are projecting an increase in rates for the next year. The full debt service impact of the Master Plan will be felt for the first fiscal year and the next fiscal year.

The specific rates that will be in effect for the last five months of this fiscal year are higher than the rates that will be in effect for the next fiscal year.

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 13 through 23, was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

13. Modification No. 4 to Professional Services Contract No. 5905 - Design of the Inbound/Outbound Ramps and Structures - Parsons Brinckerhoff Quade & Douglas/Manna Consultants, A Joint Venture - \$23,000

No. 01-0032                      Resolution approving Modification No. 4 to close  
out Contract 5905 with Parsons Brinckerhoff  
Quade & Douglas/Manna Consultants, A Joint  
Venture (PB/MC) for the design of the  
Inbound/Outbound Ramps and Structures. The  
amount of the modification is \$23,000.





14. Request for Proposals for a Short List of Consultants for Planning, Environmental Planning and Engineering On-Call Services
- No. 01-0033                      Resolution authorizing staff to proceed with Request for Proposals for a Short List of Consultants for Planning, Environmental Planning and Engineering On-Call Services.
- Commissioner Crayton noted that we already have a short list and asked if this was meant to cast a wider net.
- Mr. John Costas, Chief of Staff responded that that list is four years old. During that period the Commission awarded approximately \$2.7 million in contracts to that list, with an average M/WBE participation of about 14%.
- Since additional work is needed, and there are new players in this arena, a new short list needs to be established.
15. Award of Contract No. 4114A - Airfield Shoreline Protection Restoration, Phase I - JMB Construction, Inc. - \$283,000
- No. 01-0034                      Resolution awarding Contract 4114A, Airfield Shoreline Protection Restoration, Phase I, to the lowest responsive, responsible bidder JMB Construction, Inc., in the amount of \$283,000.
16. Modification No. 1 to Professional Services Contract - BridgeNet Consulting Services International - \$200,000
- No. 01-0035                      Resolution authorizing Modification No. 1 to the Professional Services Contract with BridgeNet Consulting Services International to increase the dollar amount by \$200,000 with a maximum budget not to exceed \$500,000.
17. Bid Call - Contract 4094 - As-Needed Pavement Repair and Construction, 2001-2002
- No. 01-0036                      Resolution approving the scope, budget, and schedule of Contract 4094, As-Needed Pavement Repair and Construction, 2001-2002, and to authorize the Director to call for bids when ready.
18. Bid Call - Contract 4362 - Alternate Point of Entry (APOE) Building
- No. 01-0037                      Resolution approving the scope, budget, and



schedule of Contract 4362, Alternate Point of Entry (APOE) Building, and authorize the Director to call for bids when ready.

Commissioner Strunsky suggested that all steps be taken to expedite the schedule for this contract.

19. Bid Call - Contract 4355 - Cargo Building 648 2<sup>nd</sup> and 3<sup>rd</sup> Floor Corridors

No. 01-0038                      Resolution approving the scope, budget, and schedule for Contract No. 4355, Cargo Building 648 2<sup>nd</sup> and 3<sup>rd</sup> Floor Corridors, and authorizing the Director to call for bids when ready.

20. Authorization to Accept Proposals for Cellular Phone Rental Service Lease

No. 01-0039                      Resolution approving the lease specifications and authorizing staff to accept proposals for the Cellular Phone Rental Service Lease.

21. Approval of Lease Specification and Authorization to Conduct a Pre-Bid Conference for North Terminal Candy Store Lease

No. 01-0040                      Resolution approving lease specifications and authorizing staff to conduct a pre-bid conference for the North Terminal Store Lease.

22. Authorization for Six-Month Trial of Internet Access Equipment and Service

No. 01-0041                      Resolution authorizing six-month trial of internet access equipment and service by Neptune Networks.

23. Modification No. 1 to the Reimbursement to Federal Aviation Administration (FAA) for the Relocation of Runway 19R's Visual Guidance Lighting System \$11,541.37

No. 01-0042                      Resolution approving Modification No. 1 to the Reimbursement to Federal Aviation Administration (FAA) for the Relocation of Runway 19R's Visual Guidance Lighting System contract, in the amount of \$11,541.37.

\* \* \*



I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak from the public.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

The Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

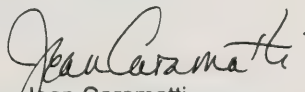
K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:50 A.M.

  
Jean Caramatti  
Commission Secretary



45  
2  
6/01

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

February 6, 2001

9:00 A.M.

DOCUMENTS DEPT.

MAR - 5 2001

SAN FRANCISCO  
PUBLIC LIBRARY

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128





Minutes of the Airport Commission Meeting of  
February 6, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Special Meeting of January 23, 2001	00-0043	3
D.		DIRECTOR'S REPORTS:		
	1.	Master Plan Quarterly Update		3-5
E.		ITEMS INITIATED BY COMMISSIONERS:		
		Palcare		5-6
		Energy Crisis		6
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	2.	Modification No. 14 to Contract 5510E - Boarding Area A General Construction - Hensel Phelps Construction Company, Inc.	00-0044	6-7
	3.	Modification No. 8 to Contract 5511A - Boarding Area A Aircraft Apron - Ghilotti Brothers Construction, Inc.	00-0045	7-8
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	4.	Award Contract 4163 - Central Parking Garage Levels 4 and 5 Resurfacing - Cone Engineering Contractors, Inc.	00-0046	8-9
	5.	Authorization to Issue Request for Qualifications/ Proposals for Parking Facilities Professional Services Operating Agreement and Approve Hold-over of Current Operation	00-0047	9-10
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Modification No. 3 to Professional Services Contract with Rita Barela Productions for Final Costs of Opening Events	00-0048	10-11



7.	Renew Contract with RIDES for Bay Area Commuters	00-0049	11
8.	Authorization to Conduct Pre-Bid Conference for Two Garage Taxi Staging Area Mobile Catering Truck Leases	00-0050	11
9.	Modification No. 2 to Contract 5500.3 - Design of Aviation Library and Museum - Fong & Chan Architects	00-0051	11-12
10.	Modification No. 2 to Contract 5500S - Aviation Library and Museum - Lem/MH Construction, A Joint Venture	00-0052	12
I.	NEW BUSINESS:		12
J.	CORRESPONDENCE:		12
K.	CLOSED SESSION:		
	Potential Litigation		12-13
L.	ADJOURNMENT:		13



# AIRPORT COMMISSION MEETING MINUTES

February 6, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the special meeting of January 23, 2001 were adopted unanimously.

No. 00-0043

\* \* \*

## D. DIRECTOR'S REPORTS:

### 1. Master Plan Quarterly Update

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that through the fourth quarter of 2000, the Airport awarded \$2.74 billion, or 95% of the program budget excluding contingency and program reserve. In terms of construction only, a total of \$2.2 billion, or 94% of the budget has been awarded through the reporting period.

Invoices approved since the last report totaled \$113 million, bringing the total invoiced amount to \$2.54 billion, or 87% of the total current budget, including both Master Plan and non-Master Plan figures.

Contingency usage allocated to date to change orders, proposed change orders and trends total \$169 million, or 116% of the baseline contingency budget which is unchanged from the last report.

Current forecast of Master Plan expenditures is \$2.502 billion. The current program reserve budget is \$10 million. This current balance is forecast to be fully committed at full program completion.





The total program reached 92% completion with 87%, soft cost completion and 93% construction completion. The total Master Plan Program measured percent complete is 99.9%, excluding the facilities scheduled to be completed after December 2000 opening of the International Terminal Complex..

The International Terminal Building Complex is complete with punchlist work continuing. The Elevated Circulation Roadways and Inbound/Outbound Ramps also continue work on punchlist items.

The Airtrain Operating System Supply contract continues in its construction phase with an overall completion level of 54%. The substantial completion is forecast for the first quarter of 2002 without any mitigating currently implemented. The first on-site static test of the system is forecast for mid-March 2001.

All Security and Special Systems installation was completed by December 10, 2000. This included access control system, closed circuit television, baggage screening machines, rover command, fire alarm system, public address system, terminal management system, and telecommunications.

Punchlists and some change order work remain for the three contracts. It is expected that all construction will be complete by the end of March 2001 and all contracts will be closed out by June 2001.

In the area of job safety, our actual rates for both lost time and recordable incidents remain below the national average. The MBE/WBE participation is 23.0% / 5.0% respectively on the program level. A breakdown by the major sub-areas is presented in the report.

In summary, the International Terminal Complex with 20 available positions successfully started full operation on December 10, 2000.

We will report our Master Plan closeout progress and transition activities in the March 2001 first quarter report.

Commissioner Ito noted that the Program Reserve allocation for the last quarter was \$12 million and asked how this will roll out for the next quarter?

Mr. Kardos responded that we are forecasting the \$47 million from the Program Reserve. The current forecast is based on the numbers indicating a \$3 million surplus remaining at the end of the Program, however, we are forecasting for potential unforeseen items. We are committing all Program Reserve at the end of the Program. We are maintaining the bottom line in the Master Plan ... the \$2.502 billion which includes the Management Reserve number and we will not exceed that .

Commissioner Ito asked Mr. Kardos how much he expects in the Program Reserve.

Mr. Kardos responded that the Program Reserve gross amount is somewhere in



the neighborhood of \$200 million. The baseline Program Reserve started out with \$104 million. The savings coming from the financing savings added another \$25 to \$30 million.

Commissioner Ito hoped that we had enough in the Program Reserve to cover this but could not tell from the numbers.

Mr. Kardos said that he would provide Commissioner Ito with the breakdown.

Commissioner Strunsky said that this is the end of the road of a long process. The final projection of the Master Plan Program is \$2.502 billion against the \$2.3 billion original amount, or a 4% overrun over a period of six years during the course of construction. In reality, when taken as a whole, we are below the 1995 forecast. We were able to add items and still end up with a lower debt service.

Mr. Kardos said that the Master Plan baseline budget was \$2.393 billion. There is a \$470 million Master Plan related Capital Improvement Program that was folded the Master Plan implementation. These two components make up the current \$2.98 billion overall budget.

Mr. Martin said that the annual debt service projected in 1995 covers not only the Master Plan Program but the additional \$500 million.

Commissioner Strunsky said that this is an amazing accomplishment. He would not be surprised if it is a world record.

Commissioner Crayton noted that a lot of the phased in completions deal with the Security and Special Systems and asked what are the issues.

Mr. Kardos responded that the technology took a leap forward during the implementation period of the Master Plan. The Airport decided to become its own telephone company. This change had a major impact on the base scope of the Security and Special Systems. As we proceeded with the installation and the addition of the telecommunications scope, the number of airlines using the systems increased beyond the 40% initial cushion provided for in the base scope, adding a tremendous amount to the base scope. The reason for the lag in completing Security and Special Systems beyond completion of the facilities is because of these changes and the necessity to train and transfer technology to Airport personnel.

\* \* \*

#### E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito congratulated Mr. Martin on being honored by Palcare at its annual reception last week for his work to insure that the Airport is a family-friendly environment.

Mr. Martin thanked Commissioner Ito and said that he views this as an award for the



Commission and staff. Back in the 1980s we were the first City department to stand behind childcare facilities.

Commissioner Strunsky asked what is being done to insure that the Airport is kept operational during the energy crisis, noting that the summer could be much worse. He hoped that a contingency plan was in the works.

Mr. Martin responded that we have achieved over a 10% reduction in PG&E power consumption to date. This was accomplished by lowering lights and turning off the chillers and heating. While these measures are fine for now, the terminals could get very warm in the summer months. We are looking to obtain portable air conditioners powered by temporary generators. Contingency provisions are being looked at for our concessionaires as well.

Commissioner Strunsky asked if our co-generation system will be able to bear the load if PG&E fails.

Mr. Martin responded that Jackson Wong and Ernie Eavis have worked with United Airlines to provide us with virtually immediate access to the United co-generation plant. Although it would only provide us with limited power, it would allow us to continue with some basic level of operation.

\* \* \*

#### F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Modification No. 14 to Contract No. 5510E - Boarding Area A General Construction - Hensel Phelps Construction Company, Inc. - \$897,920

No. 00-0044	Resolution approving Modification No. 14 to Contract 5510E, Boarding Area A, with Hensel Phelps Construction Co., Inc., in the amount of \$897,920, for work related to transferred scope from other projects, design changes to facilitate construction, and unanticipated conditions. Funding sources are budget transfers from Public Art funds, non Master Plan CIP funds, and program reserve.
-------------	---

Mr. Kardos explained that this modification incorporates changes into the Boarding Area A General Construction Contract that were triggered by scope transfers from other projects, facilities and systems interface issues and activation tasks to accommodate the opening of the terminal complex.

The modification has been approved by the Master Plan Advisory Board and the cost has been forecasted in our quarterly report. Funding will be provided by budget transfers from the Master Plan's Public Art budget, the Airport's Capital





Improvement Program budget and from management reserve.

The scope of this modification offers no MBE subcontracting opportunities, but provides for 13.6% WBE participation. The current performance of the modified contract is at the 10.8% MBE / 2.3% WBE participation levels, slightly below the base contract's 12.3% / 2.2% respective commitments which remain unchanged for the ultimate performance of the contract.

Commissioner Strunsky asked how many more modifications there will be for this contract.

Mr. Kardos responded that there will probably be one more.

Commissioner Crayton asked how often the goals fall below the recommended range set by the HRC for M/WBE performance. She understands that there were no MBE opportunities for this modification, however, the base contract was lowered from 15% to 12.3% and the contractor is still not achieving that level.

Mr. Kardos responded that depending on the scope of the particular modification the goals may or may not be met. Consequently, the aggregate numbers may not meet the contract goals. Our aim is to meet the goals in the ultimate performance of the contract. If the goals are not met, the appropriate best efforts are documented. We are working closely with HRC on this aspect.

Item No. 3 was moved by Commissioner Berman and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Modification No. 8 to Contract No. 5511A - Boarding Area A Aircraft Apron Ghilotti Brothers Construction, Inc. - \$770,129

No. 00-0045	Resolution approving Modification No. 8 to Contract No. 5511A, Boarding Area A Aircraft Apron, with Ghilotti Brothers Construction, Inc., in the amount of \$770,129 for work related to unanticipated conditions. Funding will be provided by CIP funds and program reserves.
-------------	--

Mr. Kardos explained that this modification is a compilation of changes covering unanticipated site conditions and some minor tasks aiming at operational improvements.

The modification has been reviewed and approved by the Master Plan Advisory Board and the cost has been part of the forecast presented in the quarterly report. Funding is provided primarily by the program reserve.

The modified contract provides for 20.7% MBE and 8.3% WBE cumulative participation levels, less than the base contract's 25.8% and 11% respective commitments, but still in excess of the originally established 10% and 6% goals





for the contract. The base contract's higher commitment levels remain unchanged for the ultimate performance of the contract.

Commissioner Strunsky asked how many more modifications will be presented for this contract.

Mr. Kardos responded that there will be a close out.

Commissioner Crayton asked how often we have major contractors working on multiple Airport contracts, thus impacting their ability to complete a job in a timely manner.

Mr. Kardos responded that the aim of the management team is to minimize cost to the Airport of construction activities or projects that we have to complete. The costs are composed of two major components ... the actual direct costs and the timing related to it. In the case of our cargo activities, the Airport is very constrained in facilities. The coming on line of the North Cargo facility was a major issue because it was delayed by El Nino. The aim was to bring it on-line as fast as possible. Since the nature of the work was similar in nature to what the two apron contractors have been doing, competitive quotes were obtained from them. Ghilotti submitted the lowest bid.

There is always a dilemma for any management team in how to minimize cost while at the same time maintain the competitive environment.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Award of Contract No. 4163 - Central Parking Garage Levels 4 and 5 Resurfacing - Cone Engineering Contractors, Inc. - \$1,396,750

No. 00-0046	Resolution awarding Contract 4163, Central Parking Garage Levels 4 and 5 Resurfacing, to the lowest responsive, responsible bidder, Cone Engineering Contractors, Inc., in the amount of \$1,396,750.
-------------	---

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance said that this contract includes approximately 175,000 square feet of resurfacing on the fourth and fifth levels of the Central Parking Garage and approximately 4,000 linear feet of joint repair.

Four bids were received, with Cone Engineering submitting the low bid.

This work will be completed prior to the summer.



Commissioner Ito asked if these were local firms.

Mr. James Field, HRC, responded that Hawaii Pacific is a certified WBE in San Francisco. He is not familiar with Associated.

Item No. 5 was moved by Commissioner Mazzola and seconded by Commissioner Berman. The vote to approve was unanimous.

5. Authorization to Issue Request for Qualifications/Proposals for Parking Facilities Professional Services Operating Agreement and Approval of Hold-over of Current Operation

No. 00-0047

Resolution approving agreement specifications, authorizing staff to issue request for qualifications/proposals for Parking Facilities Professional Services Operating Agreement and approving holdover of current operation.

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that the current public parking facilities operating agreement with AMPCO will expire on June 30, 2001.

A pre-proposal conference was conducted on October 25, 2000. Thirteen interested parties attended.

Two primary issues were raised during the conference. The first request was to split the contract into several different components. Because of the integration of the revenue control system, and for operation and security reasons, it would be almost impossible to split the contract.

The second major issue raised was a request to lower the requirements, particularly for Joint Venture (J.V.) partners, to broaden participation of M/WBE firms.

Airport and HRC staff agreed and the joint venture requirements have been substantially lowered with respect to experience. Originally, the prime and J.V. partner had the same requirements. The J.V. requirements have been reduced from a 3,000 stall management to 200. The amount of revenue managed was also lowered. This should go a long way to help attract small businesses.

This is a one year contract with four one year options. The bid item will be the management fee.

The prime will be required to demonstrate that the J.V. occupies management positions under the contract.

The contract also has a 30% subleasing goal for the actual costs of subleasing certain ancillary services required to operate the garages.



Commissioner Crayton noted that the \$2 million gross revenues might prohibit people from participating.

Mr. Rhoades responded that staff, along with HRC and our Outreach Office, conducted extensive research to try to determine what would be a reasonable amount for the J.V. partner, while still demonstrating that they could manage a sophisticated garage system in partnership with a prime. That is how we arrived at the \$2 million figure. The Commission will be provided with the research.

Commissioner Crayton asked if 20 employees would be considered a lot to manage a small or medium size parking facility.

Mr. Rhoades responded that it is not.

Commissioner Strunsky agreed with Commissioner Crayton that requiring 20 employees for the management of 200 stalls seems out of alignment.

Mr. Martin responded that the requirement is that the J.V. must manage an aggregate of 1,000 stalls, with a minimum of 200 stalls in one facility. Twenty employees matches fairly well with that requirement. Further, these requirements do not apply to subcontractors.

For an operation of this size ... 12,000 stalls and approximately \$70 million a year ... we want both the prime and joint venture partner to have significant experience.

Commissioner Crayton said that she was trying to move contractors to joint venture status so that they can eventually be the larger partner.

Mr. Rhoades said that the proposer must demonstrate that the joint venture partner is actively participating in the management team. Our belief is that by having them actively manage the facilities in partnership with the prime, as opposed to just being a joint venture partner, it will assist them in gaining experience for future contracts.

This contract, unlike previous contracts, will have performance standards applied to it. Also, incentives will be provided for saving money.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 6 through 10 were moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve the Consent Calendar was unanimous.

6. Modification No. 3 to Professional Services Contract with Rita Barela Productions for Final Costs of Opening Events

No. 00-0048

Resolution approving Modification No. 3 to the Professional Services Contract with Rita Barela Productions in an amount not to exceed





\$150,355.95 for the final costs of the opening events in the New International Terminal.

Commissioner Ito asked if we have a final number for the Community Open House.

Mr. Peter Nardoza, Deputy Director, Public Affairs, responded that it was in the range of 55,000.

7. Renewal of Contract with RIDES for Bay Area Commuters - \$95,000

No. 00-0049 Resolution exercising the second of four renewal options to the contract with RIDES for Bay Area Commuters to staff the Ground Transportation Hotline and provide other services related to transportation demand management in an amount not-to-exceed \$95,000.

8. Authorization to Conduct a Pre-Bid Conference for Two Garage Taxi Staging Area Mobile Catering Truck Leases

No. 00-0050 Resolution authorizing staff to conduct a pre-bid conference for two leases to provide mobile catering service in the taxi staging area of the garage.

Commissioner Mazzola thought that we were going to a stationary location rather than trucks.

Mr. Rhoades responded that it was going to be tied to changing the garage staging area for on-demand vehicles but that did not occur. We have not revisited the feasibility of a permanent facility.

Mr. Martin added that we will revisit that issue and provide a report to the Commission within the next six to eight weeks.

Commissioner Mazzola said that this is an important issue. The area really calls for a permanent facility.

Mr. Barry Taranto, taxicab driver, said that the truck caterer is supposed to list prices but does not. Further, the only type of food available is Asian. He would like more variety and a healthier offering in the menu.

He appreciates how Lot A was redesigned, and how cab drivers enter the Airport. It was done very well.

9. Modification No. 2 to Contract 5500.3 - Design of SFIA Aviation Library and



Museum - Fong & Chan Architects - \$10,000

No. 00-0051

Resolution approving Modification No. 2 to Contract 5500.3, Design of SFIA Aviation Library and Museum, with Fong & Chan Architects, in the amount of \$10,000 for design work related to scope changes. Funding source is the Airport's Capital Improvement Program budget.

10. Modification No. 2 to Contract No. 5500S - SFIA Aviation Library and Museum Lem/MH Construction, A Joint Venture - \$71,843

No. 00-0052

Resolution approving Modification No. 2 to Contract 5500S, Aviation Library and Museum, with Lem/MH Construction, A Joint Venture, in the amount of \$71,843 to facilitate design changes to architectural and special systems components and additional built-in furniture needs. Funding shall be provided by project contingency.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 9:55 A.M. and began the closed session.

The Airport Commission will go into closed session in accordance with Government



Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

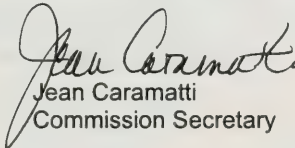
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The meeting was reconvened at 10:08 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

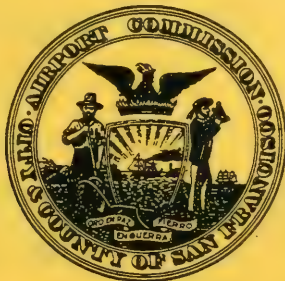
There being no further calendared business before the Commission the meeting adjourned at 10:09 A.M.

  
Jean Caramatti  
Commission Secretary



5  
0/01

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

DOCUMENTS DEPT

February 20, 2001

9:00 A.M.

MAR 1 9 2001

SAN FRANCISCO  
PUBLIC LIBRARY

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128





Minutes of the Airport Commission Meeting of  
February 20, 2001

CALENDAR SECTION	ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of February 6, 2001	01-0053	3
D.		SPECIAL ITEM:		
		Naming of the North Connector Gallery after Former Airport Commissioner Ruth S. Kadish	01-0054	3-4
E.		ITEMS INITIATED BY COMMISSIONERS:		
		Roland A. Quan		4
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	2.	Modification No. 7 to Contract 5521A - Boarding Area G Apron Construction - Pavex Construction, A Division of Granite Rock	01-0055	4-5
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Proposed FY 2001/02 Budget - \$605.5 Million	01-0056	5-7
	4.	Award Contract 3569 - Taxiway C Improvements - Granite Rock Co., dba Pavex Construction	01-0057	7-8
	5.	Award Professional Services Contract 700011 - Cost and Schedule Control Services and Other Resources for the Runway Reconfiguration Program - DMC Airfield Engineers, A J.V.	01-0058	8-12
	6.	Modification No. 4 to Professional Services Contract 7021.3 with HNTB for Airfield Development Planning for the Runway Reconfiguration Project	01-0059	12
	7.	Authorization to Issue a Request for Proposals for Curbside Management Program		12-15
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		



8.	Modification No. 2 to Contract 5520J - Preconditioned Air and 400 Hertz Power for Boarding Areas A and G - San Luis Gonzaga/INET J.V.	01-0060	15
9.	Modification No. 3 to Professional Services Contract 5511 - Boarding Area A Aircraft Apron - John T. Warren & Associates		15
10.	Bid Call - Contract 5704 - AirTrain Graphics	01-0061	15-16
11.	Modification No. 1 and Renewal of Contract for Annual Vehicle Traffic Counts - Multitrans	01-0062	16
12.	Reject All Bids for Contract 4378 - SFIA Wastewater Treatment Plant Expansion	01-0063	16
13.	Approve Lease Specifications and Authorization to Accept Bids for New International Terminal Building Arrivals Lobby Newsstand Lease	01-0064	16-17
14.	Authorization to Conduct Pre-bid Conference for the North Terminal Multiple Location Discretionary Store Lease	01-0065	17
15.	Funding Agreement with So. San Francisco Unified School District for Aircraft Noise Insulation Projects for Schools	01-0066	17
16.	Approval to Quitclaim Recorded Noise Easements	01-0067	17
17.	Authorization to Cover Airport Volunteer under Benefits of Worker's Compensation	01-0068	17
I.	NEW BUSINESS:		
	Airport Express		17-18
J.	CORRESPONDENCE:		
J.	CORRESPONDENCE:		
K.	CLOSED SESSION:		
	Pending Litigation:		18
	OCIP Builders' Risk Claims:		
	M.H. Construction Management Co.		
	Tutor-Saliba Corp.		
	Potential Litigation		
L.	ADJOURNMENT:		



# AIRPORT COMMISSION MEETING MINUTES

February 20, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of the regular meeting of February 6, 2001 were adopted unanimously.

No. 01-0053

\* \* \*

## D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

1. Naming of the North Connector Gallery after Former Airport Commissioner Ruth S. Kadish

No. 01-0054	Resolution approving the naming of the North Connector Gallery (between the Central and Terminals) after former Airport Commission President Ruth S. Kadish.
-------------	--

Mr. John Martin, Airport Director said that Ruth Kadish was the first woman to be appointed to the Airport Commission, serving from 1976 to 1984. She was President from 1979 to 1980. She played a lead role in establishing the Airport's Exhibition Program which became a model for airports around the world.

Commissioner Strunsky felt that this was very appropriate.





Commissioner Crayton said that she was pleased and asked if this was precedent setting.

Mr. Martin responded that it will be the first time space is being named after a woman.

\* \* \*

#### E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton asked that an appropriate resolution be written for the late Roland A. Quan, former Vice President of the Airport Commission, enumerating his many contributions not only to the Airport Commission but to the M/WBE program for which he fought for so many years.

Commissioner Ito echoed Commissioner Crayton's comments, adding that Mr. Quan was well respected in the community and he will be missed.

\* \* \*

#### F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was moved by Commissioner Ito and seconded by Commissioner Strunsky. The vote to approve was unanimous.

##### 2. Modification No. 7 to Contract No. 5521A - Boarding Area G Apron Construction Pavex Construction, A Division of Granite Rock Co. - \$9,283,200

No. 01-0055

Resolution approving Modification No. 7 to Contract 5521A, Boarding Area G Apron Construction with Pavex Construction, A Division of Granite Rock Co., in the amount of \$9,283,200 for work related to International Terminal Complex design revisions, completion of base building construction, Federal Inspection Agency requests, tenant infrastructure, Master Plan activation requirements, Airport Administration offices construction, and Reflection Center construction.

The funding sources are the Capital Improvement Program budget, Tenant Utilities and Infrastructure budget, and Program Reserves.

Mr. Mike Allen, Acting Deputy Director, Bureau of Design and Construction explained that this modification includes task-order construction for work in the International Terminal Complex required to complete the International Terminal for the terminal opening and provide added scope for customer amenities and operational requirements. The task-order construction services include building



required design revisions related to errors and omissions, completing unfinished base-building work, incorporating changes requested by Federal Inspection Agencies, completing utility infrastructure for tenant facilities, constructing improvements requested by Master Plan Activation.

The cost has been included in the quarterly forecast.

The M/WBE participation goal established for the contract has been a combined level of 16%. This modification will provide 6.5% M/WBE participation. Total contract MBE participation through this modification will be 13.7%. The contractor had achieved an 18% participation level through Modification No. 5, however, Modification No. 6, due to the nature of its scope, had no M/WBE participation which affected the contract's performance. The base contract's commitment remains unchanged and we will strive to achieve the contract goal through the final-closeout modification working with the HRC.

Commissioner Strunsky said that the last sentence in paragraph one reads as follows: "...miscellaneous construction not completed by the International Terminal building general contractor..." He asked if that is work the contractor owes us and we had to go elsewhere to complete. If so, is it well documented so we can work it out in the final closure with the general contractor?

Mr. Allen responded that he believes it is.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction responded that it is documented and we are in the process of formalizing these back charges in order to make it part of the close out discussions.

Commissioner Crayton noted that when Pavex contracted with Tutor-Saliba for Modification No. 5 Pavex did not contract with any M/WBEs because presumably there were none in the pool.

Mr. Kardos responded that it was because it was in the fast paced last stage of construction immediately preceding the opening. The most efficient way to perform the work was to engage the same subcontractors who did the base contract work. That impacted the M/WBE participation in that modification, but in the follow on modification the M/WBE contractors who were listed were engaged and are performing the work. We work closely with the HRC to evaluate whether or not the contractor maximized participation of M/WBE contractors, and, if they demonstrated good faith efforts if they did not.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

#### 3. Proposed FY 2001/02 Budget \$605.5 Million



Mr. Bob Rhoades, Deputy Director, Business and Finance explained that this budget will mark the first full year of operation for the new International Terminal Complex, the completion of the AirTrain system and the last near term North Terminal Master Plan projects.

The proposed budget represents a 15% increase over the previous year. Ninety percent of the increase is attributable to three areas ... debt service for the new International Terminal Complex, Light, Heat & Power charges, and the annual service payment

The proposed budget will provide the resources needed to successfully operate the new International Terminal Complex and existing facilities, and insure that the Airport achieves its mission which includes world leadership in safety and security, customer service and satisfaction, community relations, quality of facilities, environmental commitment and financial and economic vitality.

Of the major expenditures, debt service represents the largest increase at 75% of the budget increase. Debt service is slated to go from \$190.9 million to \$260 million. This was anticipated during the course of the Master Plan and this is the peak year for debt service.

Personnel costs contributed an additional 10% increase due to the annualization of the full time equivalents of all the personnel hired for the new International Terminal, labor negotiations and a reclassification of certain classes.

Heat, Light and Power represents a 35% increase due to the power situation in California. It is slated to go from \$26.6 million to approximately \$36 million.

The Annual Service Payment is budgeted to go from \$27 million to \$30 million.

Commissioner Strunsky asked if there is a provision in this budget to look at alternate power sources. Are we doing anything about cogeneration?

Mr. Rhoades responded that we are currently in final negotiations for a three-way pact between the Airport, United Airlines and Texas El Paso to construct and establish a power peaking unit by the United Maintenance Operations Center to be tied to the existing cogeneration facilities. We fully anticipate the program to go forward. This will provide us with enough redundancy for our power needs in the near term.

Commissioner Ito asked if the 35% increase is realistic.

Mr. Rhoades responded that 35% is our best guess at this time. Our December bill was four times larger than the previous year. We are doing some things to offset our January bill. Various methods of conservation have been undertaken in the terminal complex. We are attempting to reduce our power requirements





while at the same maintain an acceptable level of customer service for passengers. We have already achieved a 10% savings in the first six to eight weeks of this year.

Commissioner Crayton asked if our tenants are following this energy policy as well.

Mr. Rhoades responded that all of our tenants have been notified and are being urged to undertake conservation measures.

Commissioner Crayton asked if this budget includes the runway reconfiguration program.

Mr. Rhoades responded that the Airfield Development Program is funded through Commercial Paper and is not included in the Operating Budget.

Commissioner Ito noted the decrease in the Police and Fire Departments and asked if that was a result of efficiency.

Mr. Martin responded that the budget assumes that we will hold 12% of the positions vacant and we have asked the Police Department to do the same. The Police Department has agreed to holding their vacancies in the Police Officer classification rather than the Police Service Aides.

Commissioner Ito asked if that would be offset by overtime.

Mr. Martin responded that we do not anticipate a significant need for Police overtime beyond the level of the current year, even with these positions being held vacant.

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

4. Award of Contract No. 3569 - Taxiway C Improvements - Granite Rock Company, dba Pavex Construction - \$13,055,110

No. 01-0057	Resolution awarding Contract 3569, Taxiway C Improvements, to the lowest responsive, responsible bidder, Granite Rock Company, dba Pavex Construction, in the amount of \$13,055,110.
-------------	---

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that this contract will repair deteriorated taxiway pavement, improve drainage, construct a blast apron at the end of Runway 28L and construct an 84" utility casing under Runways 28L and 28R.

Granite Rock Construction, dba Pavex Construction, submitted the lowest responsive bid on January 25, 2001. The project is Federally funded under the





Airport Improvement Program and therefore includes a DBE goal of 11%. Pavex has committed 32.8% of the contract to DBE subcontractors.

Commissioner Strunsky noted that we are about 16% over the engineer's estimate for this contract, and we are about an equivalent amount on a Consent item being recommended for re-bid.

Mr. Eavis responded that the total increase for this project is in the pipe jacking portion. The original estimate was done by a consultant. In reviewing the prices we feel that the estimates were low. We do not do much jacking under the runways. This project is funded under an old grant that has been put off for a number of years because we have not been able to do the work in that area. The FAA has begun threatening to cut the funding off if the work is not done in the near future.

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve the amended resolution was unanimous.

5. Award of Professional Services Contract No. 7000.11 - Cost and Schedule Control Services and Other Resources for the Runway Reconfiguration Project DMC Airfield Engineers, A Joint Venture - \$5,400,000

No. 01-0058	Resolution awarding Professional Services Contract 7000.11 for Cost and Schedule Control Services and Other Resources for the Runway Reconfiguration Project to DMC Airfield Engineers, A J.V., in an amount not to exceed \$5,400,000.
-------------	---

Mr. Tom Kardos, Deputy Director, Airfield Development explained that after Commission approval on November 31, 2000 the Airfield Development Bureau re-issued a request for proposals for a Professional Services Contract covering cost and schedule control and other resource services for the Runway Reconfiguration Program. Four proposals were received on December 8, 2000. (1) The Airfield Alliance, a Joint Venture of the Allen Group and Don Todd Associates. (2) DMC Airfield Engineers, a Joint Venture of DMJM Aviation, Mendoza & Associates and Cabellon Associates. (3) Luster, EPC, Cornerstone, A joint Venture. (4) Morse Diesel/Dorie Lee/Arcost, a Joint Venture.

After interviews by a five-member panel representing FOM, Finance, the Controller's Office, Airfield Development and BART, DMC Engineers, the highest scoring team, was selected based on criteria spelled out in the RFP.

As required by the provisions of the Federal Acquisition Regulations (FAR), Airfield Development staff negotiated a cost-plus-fixed fee contract with DMC Engineers in an amount not-to-exceed \$5,350,000. The contract covers calendar year 2001 and may be reauthorized at the discretion of the



Commission on an annual basis.

For this Federally funded contract, DMC Engineers exceeded the 23% DBE subconsulting goals by the participation of the following firms: (1) Mendoza & Associates (JV prime - Asian) at 17%, (2) Cabellon Associates (JV prime - Asian) at 17%, (3) Butler Enterprise Group, LLC (Sub - African American) at 5%, (4) Staton & Hughes (Sub - Woman-owned) at 3%, and (5) Acumen Building Enterprises (Sub - African American) at 2%.

Commissioner Strunsky noted that this is basically a cost plus fixed fee contract.

Mr. Kardos responded that it is cost plus fixed fee not-to-exceed.

Commissioner Strunsky asked if the fees will remain the same if the scope changes.

Mr. Kardos responded that if the scope changes the fixed fee will remain the same. However, if a completely new scope is added that was not contemplated under the services originally defined in the RFP, then the fixed fee may be modified. If the cost control services, for example, will be higher than the negotiated hours, the fixed fees will remain the same because the character of the service remains as it was originally contemplated.

Commissioner Crayton said that this contract was originally for \$10 million. When it returned to the Commission in December it was \$7.5 million, and it is now \$5.3 million. She asked what happened and how this money was reengineered.

Mr. Kardos responded that those numbers were primarily budgetary estimates which were allocated within the budget presented in the quarterly report. This \$5.35 million is a negotiated number, it is not simply a budgetary item. Within the budget we negotiated a level of services required for the performance of the work during this calendar year. Regardless of what the budgetary number was, this is the actual level of service we need to perform during the remainder of the year.

The composition of the contract is such that about \$2.8 million of the \$5.35 million is actually the defined scope that the joint venture team and its subcontractors will perform. The remainder of the budget, outside of the fixed fee and some management fee over the subs, is going to be authorized on an as-needed basis. To some degree, this is an aggregate of the negotiated scope with the associated costs and an estimated as-needed scope for specialty consulting services that may be required during the year which is a negotiated budget.

Commissioner Crayton asked who negotiated this.

Mr. Kardos responded that the negotiations were between the Airfield Development Bureau and the consultants. Any reauthorizations will be negotiated prior to coming to the Commission.



Commissioner Ito commented that she would be more comfortable with that. She hoped that within the next year the Commission receives a progress report regarding any unexpected findings. There are still a lot of guesstimates in terms of what it will cost us to manage this part of the planning process.

Mr. Kardos commented that we are in the process of a very detailed review of the program. It is our hope to return to the Commission within the next two to two and a half months with a baseline budget and schedule, very similar to what we did on the Master Plan, for the Commission's approval. Once the Commission approves the baseline budget and schedule we will live within that framework. The Commission will see the progress of the program and whether or not we are in line with the estimated budgets.

Commissioner Crayton said that if this contract is renewed annually the life of the contract could be 10 or 20 years.

Mr. Kardos responded that the life of the contract is going to be as required. We will return to the Commission on an annual basis.

Commissioner Crayton asked if there is an approximate number of years.

Mr. Kardos responded that he would try not to define it at this point because of the program definition. The definition will define the contractual configuration. In the next two months all of these contracts will be detailed.

Commissioner Strunsky asked if the \$5.35 million included a fixed fee only for work in 2001.

Mr. Kardos responded that it does. Approximately \$2.8 million is the negotiated scope for 2001. This is cost and schedule control, auditing services, etc.

Commissioner Strunsky asked why we aren't issuing a contract for \$2.8 million.

Mr. Kardos responded that from time to time the Airfield Development Program requires very specialized consulting services by either the FAA or the City's Office of Environmental Review. This contract accommodates the hiring of those specialized consultants on a task order basis.

Commissioner Strunsky asked Mr. Kardos when the Commission will return on this item.

Mr. Kardos responded that it will be in November.

Commissioner Strunsky asked if we will spend \$5.35 million.

Mr. Kardos responded that we will spend as much or as little throughout the year as needed. The negotiated portion will be on a time and material basis. The task orders will be negotiated either on a lump sum or a time and material basis and controlled within the framework of the contract. It is resource support to the Airfield Development Program personnel that we may need during the





year.

Commissioner Ito acknowledged that the Airfield Development Project is different from the Master Plan, but in terms of the process we are using, is this what we went through in the very beginning?

Commissioner Strunsky responded that it is. We worked up to a baseline budget and it was adhered to.

Mr. Kardos said that he hoped to have an underrun at the end of the year.

Mr. Martin said that the resolution will only allow the contractor to do work through the end of the calendar year. Commission approval will be required for any time extension. We will notify the Commission of any subcontractors brought on board by this team

Commissioner Strunsky wanted the option of rebidding this contract at the end of the year.

Mr. Kardos responded that the Commission has that option.

Commissioner Crayton said that she has some anxiety over this because it is very different from what they have seen in the past. She is happy to see that Mr. Kardos is involved in this program because he stands behind what he presents to the Commission.

This particular firm did not have the capability to deliver the \$7.5 million and that is where she is having a problem.

Mr. Kardos responded that it is not that the firm could not deliver the \$7.5 million. The \$7.5 million was a budgetary figure that included a much broader based assumption of scope than we really needed. We determined that the calendar year was a rational cut off mark because of the program definition. We looked at the scope of services we needed between now and the end of the year. The Commission has the option to take a look, on a program wide basis, at the rationality of services. We need the services to establish some sort of control, both document, budget and schedule. Once we define the program the entire picture has to be complete, with the appropriate services defined and presented to the Commission for implementation.

Commissioner Strunsky noted that this type of work will go on throughout the entire project, however, he is concerned that this not become a retirement project for anyone.

Mr. Kardos responded that it won't.

Commissioner Strunsky wanted to add a specific sentence to the resolution recognizing the Commission's right to rebid this work at the conclusion of one year. There will be no automatic extension. He did not want this company to become so entrenched in this project that we won't be able to live without them.



Mr. Kardos responded that they won't.

Ms. Mara Rosales, Airport General Counsel responded that she would be happy to add that language, however, the resolution already contains similar language ... "annual reauthorization at the discretion of the Commission." The resolution could be amended to say "at the 'sole' discretion of the Commission."

Commissioner Strunsky agreed.

Item No. 6 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

6. Modification No. 4 to Professional Services Contract No. 7021.3 with HNTB for Airfield Development Planning for the Runway Reconfiguration Project \$1,930,000

No. 01-0059	Resolution approving Modification No. 4 to Professional Services Contract 7021.3 with HNTB to prepare simulations for continued refinements of Runway Alternatives for the Runway Reconfiguration Project in an amount not to exceed \$1,930,000.
-------------	---

Mr. Kardos explained that the Airfield Development Planning Study for the Runway Reconfiguration Project is being performed by HNTB. The study includes detailed regional airspace and noise analyses, capacity and delay forecasts, airfield layout designs and facilities relocation plans.

This modification is necessary to perform six additional tasks to comply with requests by the FAA and the Office of Environmental Review (OER). The six tasks address the definition and simulation of scenarios associated with the "No Action" and "No-Build Technology and Demand Management" alternatives and cover: (1) demand forecast, (2) layout plans, (3) and (4) delay/capacity and noise analysis, (5) and (6) arrival and departure procedures.

HNTB continues to meet the base contract's 11% MBE / 9% WBE subcontracting goals by the participation of Olivia Chen Consultants and Manna Consultants at the respective levels.

Item No. 7 was put over.

7. Authorization to Issue a Request for Proposals for Curbside Management Program

Resolution authorizing a request for proposals for a contractor to staff and manage the Curbside Management Program.



Mr. Martin said that the Board of Supervisors declined to approve the additional funding for the Curbside Management contract. Board of Supervisors approval is required for any contract over \$10 million and the second year of this contract takes it over that threshold.

Staff is requesting authorization to issue a Request for Proposals for the contract. At the time the contractor is selected we will seek Board funding approval for the entire five year period of the new contract.

Changes to the RFP and changes to the contract will include specifications for the exact hours we are looking for under the contract and the hourly rates for the staff to be provided. That will result in a bid item relating only to the management fee. Staff feels this will be clearer to the bidders as to the services requested by the Airport. We expect the bid amounts to be relatively close among the firms bidding on the contract.

We are also providing an incentive for contractors to work to reduce costs of services provided. The contractor will be eligible for 10% of any savings realized as a result of cuts in staffing approved by him.

The process will most likely be concluded in late September so we still need some level of funding approval from the Board of Supervisors to cross over the \$10 million threshold. He has spoken with the President of the Board and the Chairman of the Finance Committee about that funding.

Commissioner Mazzola asked if the Board gave an explanation as to why they denied this funding.

Mr. Martin responded that he did not know why it was rejected.

Commissioner Mazzola said that he would like a member of the Board of Supervisors or a representative of the Board to appear before the Commission to explain why the funding was rejected.

We go through an extensive process to approve these contracts and he would like to know why it was rejected. He doesn't want to rely on newspaper accounts, he wants to hear it from the Board.

Commissioner Ito said that it was her understanding that the Finance Committee would be meeting with staff to clarify expenditures. Were expenditures in question?

Mr. Martin said that there were no specific concerns. The Finance Committee expressed an unwillingness to approve the additional funding.

Commissioner Ito noted that in order to reconfigure the RFP some key areas were being eliminated such as the limousine dispatching system. Will we suffer lesser efficiencies because we are trying to comply?

Mr. Martin responded that we are not reducing any services currently being





provided. The services listed that are being dropped are elements of the contract that were provided for as future services but were never implemented.

Commissioner Ito was concerned about the employee retention issue.

Mr. Martin responded that staff will present a report and resolution on worker retention which would stipulate that a change in a contractor providing a service would require retaining the employees under the new contract, at least for an initial period.

He believes that we can work with the Board of Supervisors to obtain funding through the end of September, or early October if necessary, until a new contract is in place in order to avoid any layoff of employees.

Commissioner Strunsky asked if we are being asked to authorize a bid for the same scope of work that was approved previously, went to the Board of Supervisors and was rejected. These numbers will be compared with what was rejected. He does not want the Commission to add to the confusion by having a different scope of work.

Mr. Martin responded that it is the same scope of work.

Commissioner Mazzola asked that the item be put over. He also requested that a member of the Board of Supervisors or a representative of the Board appear before the Commission to explain why funding was denied. He is upset by what he has read in the newspapers.

Commissioner Strunsky asked if this will require extending the existing contract.

Mr. Martin responded that it probably would require an additional two weeks of funding.

Ms. Jackie Besser, DAJA, said that she was going to speak relative to the item going back out to bid. She thanked Mr. Martin, the Commission and the Landside Operations staff for all of their hard work.

Although they are disappointed that this item is being considered for re-bid, they were looking forward to participating in the process.

Mr. Roni Rotholz did not respond when his name was called to address the Commission on this item.

Mr. Eric Johnson did not respond when his name was called to address the Commission on this item.

Mr. Arik Sharabi did not respond when his name was called to address the Commission on this item.

Mr. Eric Johnson, Airport Express, felt that it would be helpful if the independent contractors could stop at the zones where the three main operators pick up.





Mr. Martin explained to the Commission that Mr. Johnson's comments do not pertain to this item so staff cannot respond to it. Staff will follow up, however.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 8 and 10 through 17, was moved by Commissioner Ito and seconded by Commissioner Mazzola. Item No. 9 was put over. The vote to approve the Consent Calendar was 4 to 1, with Commissioner Strunsky casting the dissenting vote.

8. Modification No. 2 to Contract 5520J - Preconditioned Air and 400 Hertz Power for Boarding Areas A and G - San Luis Gonzaga/INET Joint Venture - \$272,494

No. 01-0060	Resolution approving Modification No. 2 to Contract 5520J, Preconditioned Air and 400 Hertz Power for Boarding Areas A and G with Luis Gonzaga/INET Joint Venture in the amount of \$272,494 for design revisions to facilitate construction completion. Funding is from Construction Contingency.
-------------	--

Item No. 9 was put over.

9. Modification No. 3 of Professional Services Contract No. 5511 - Boarding Area A Aircraft Apron - John T. Warren and Associates, Inc. - \$125,000

Resolution authorizing Modification No. 3 of Professional Service Contract 5511, with John T. Warren and Associates, Inc., in the amount of \$125,000. Funding sources are budget transfers from Capital Improvement Program Funds and Program Reserves.

Commissioner Strunsky was puzzled by the reimbursable expenses.

Mr. Ray Quesada, Project Manager explained that the reimbursable expenses also include out of scope services that would be reimbursed to this consultant on a time and material basis. This is for redesign or request for changes to the base design that was done on a time and material basis rather than as a negotiated scope of work.

Commissioner Strunsky felt that this was a strange accounting process. He asked that the item be put over.

10. Bid Call - Contract No. 5704A - AirTrain Graphics



No. 01-0061

Resolution approving the scope, budget and schedule for Contract 5704A, AirTrain Graphics, and authorizing the Director to call for bids when ready.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992.

11. Modification No. 1 and Renewal of Contract for Annual Vehicle Traffic Counts - Multitrans - \$29,600

No. 01-0062

Resolution authorizing Modification No. 1 and the first of four one year options to contract with Multitrans for annual vehicle traffic counts, effective July 1, 2001 through June 30, 2002. \$29,600

12. Reject All Bids for Contract No. 4378 - SFIA Wastewater Treatment Plant Expansion

No. 01-0063

Resolution rejecting all bids for Contract 4378, SFIA Wastewater Treatment Plant Expansion, and to authorize the Director to rebid the contract when ready.

13. Approval of Lease Specifications and Authorization to Accept Bids for New International Terminal Building Arrivals Lobby Newsstand Lease

No. 01-0064

Resolution approving the lease specifications and authorizing staff to accept bids for the New International Terminal Arrivals Lobby Newsstand Lease.

Commissioner Strunsky asked why this is for five years when other leases are for two years.

Mr. Rhoades responded that typically the Airport has historically let out retail contracts with a term of five years. The Airport has also historically let out telecommunication type contracts for a term of three years. The rationale was that since there are constant changes in the telecommunications industry the Airport wanted to be abreast of any new things that may occur. It has been the Airport's historical approach toward the telecommunications industry, however, there is nothing hard and fast about it.

Commissioner Strunsky noted that requirements on tenant improvements are



the same. Is that fair?

Mr. Rhoades responded that it has been the Airport's policy to establish a certain baseline improvement so that the quality of the facilities, whether it is a three or five year lease, are consistent. We can look at this for future contracts.

14. Authorization to Conduct a Pre-Bid Conference for the North Terminal Multiple Location Discretionary Store Lease

No. 01-0065

Resolution authorizing staff to conduct a pre-bid conference for the North Terminal Multiple Location Discretionary Store Lease, a Disadvantaged Business Enterprise Set-Aside.

15. Funding Agreement with the South San Francisco Unified School District for Aircraft Noise Insulation Projects for Schools - \$10.5 million

No. 01-0066

Resolution authorizing funding agreement not to exceed \$10.5 million with the So. San Francisco Unified School District for Aircraft Noise Insulation of five schools and two associated high school buildings within the 4<sup>th</sup> quarter 1999 state 65 db CNEL Contour.

16. Approval to Quitclaim Recorded Noise Easements

No. 01-0067

Resolution to approve the quitclaim of certain recorded noise easements.

17. Authorization to Cover the Airport's Volunteer Workers under the Benefits of Worker's Compensation

No. 01-0068

Resolution authorizing coverage of all Airport volunteer workers (approximately 200) under worker's compensation benefits.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Roni Rotholz, representing Airport Express, has been asking for relief from a



particular situation at the Airport and nothing has happened.

Two of the zones are set up to the advantage of two or three companies because they operate in those zones without competition, while the seven or eight operators in the Rainbow Zone are made to struggle on a daily basis. Coordination of the zones has improved, and the current operator is the best they have experienced.

The problem is the inequitable assignment of operators to these various zones. They are aware of the consultants report and of the fact that the Commission is actively seeking a long term solution. The problem is that even if you factor in the consultant's report, the construction of a physical structure, even on an expedited basis, is two to three years out.

They need immediate relief. They propose equitably dividing the operators among the three zones and allowing them to operate on an equal basis while the Airport tries to find an ultimate solution.

\* \* \*

#### J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

#### K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 10:15 A.M. and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding potential litigation, including, but not limited to the settlement of an unlitigated Owner Controlled Insurance Program Builders' Risk Claim of M.H. Construction Management Company; and, the settlement of an unlitigated Owner Controlled Insurance Program Builders' Risk Claim of Tutor-Saliba Corporation; and, the claim of Dillingham Construction regarding Airport Contract No. 5500J, North Connector Package Project; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Commission reconvened its public session at 10:35 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.





L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:37 A.M.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



DOCUMENTS DEPT.


APR 23 2001

SAN FRANCISCO  
PUBLIC LIBRARY

## MINUTES

March 6, 2001

9:00 A.M.

 ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
March 6, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of February 20, 2001	01-0071	4
D.		ANNOUNCEMENT BY SECRETARY:		4
E.		ITEMS INITIATED BY COMMISSIONERS:		
		Seattle Earthquake		4
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	1.	Modification No. 7 to Contract 5515A - Security & Special Systems, Security Systems - AMELCO Electric	01-0072	5
	2.	Modification No. 11 to Contract 5515B - Security & Special Systems, Facility Systems - HSQ Technology, A Corporation	01-0073	5-6
	3.	Modification No. 13 to Contract 5515C - Security & Special Systems, Terminal Systems - SASCO Electric	01-0074	6
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	4.	Award Contract to Provide Administration and Clinical Management of SFO Medical Service - Catholic Healthcare West	01-0075	6-7
	5.	Authorization to Issue a Request for Proposals (RFP) for Curbside Management Program		7
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6.	Modification No. 2 to Contract 5709A - AirTrain Road 6 and Rental Car Center Stations - S.J. Amoroso Construction Co., Inc./T.S.M., A J.V	01-0076	7
	7.	Modification No. 7 - Contract 5900CM - Elevated		



	Circulation Roadways & Inbound/Outbound Ramps Professional Services Agreement - Holmes & Narver/Arcost CPM Group/F.E. Jordan Assoc.	01-0077	7-8
8.	Modification No. 11 to Professional Legal Services Agreement - Wulfsberg, Reese & Sykes	01-0078	8
9.	Modification No. 3 of Professional Services Agreement to Contract 5511 - Boarding Area A Aircraft Apron - John T. Warren and Assoc. Inc.	01-0079	8
10.	Bid Call - Contract 5601L - Utility Relocations, Phase VIII	01-0080	8
11.	Modification No. 2 to Professional Services Agreement - Blue & Garni	01-0081	8-9
12.	Authorization to Conduct Pre-Bid Conference - North Terminal Concourse Apparel Boutique Lease and Approve Holdover of Current Tenant	01-0082	9
13.	Modification No. 15 of Lease and Use Agreement No. 82-0126 for United Airlines Inc.	01-0083	9
14.	Reimburse United Airlines for Temporary Accommodation of Japan Airlines' Displaced Employee Parking	01-0084	9
15.	Approve MOU with FAA to Provide Reimbursable Services Pertaining to Review of, and Coordination with the Air Traffic Control Tower Siting Study	01-0085	9
16.	Consent to Assignment of Professional Services Agreement from Winthrop, Stimson, Putnam & Roberts to Pillsbury Winthrop LLP	01-0086	9-10
17.	Consent to Assignment of Professional Legal Services Agreement from Hopkins & Sutter to Foley & Lardner	01-0087	10
18.	Approve Five-Year Term for Cellular Phone Rental Service Lease	01-0088	10
19.	Settlement of Unlitigated and Litigated Claims for FY 1999/00	01-0089	10
I.	NEW BUSINESS:		10
J.	CORRESPONDENCE:		10





K.	CLOSED SESSION: Potential Litigation	10-11
L.	ADJOURNMENT:	10



# AIRPORT COMMISSION MEETING MINUTES

March 6, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Caryl Ito

Absent: Hon. Linda S. Crayton

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 20, 2001 were adopted unanimously.

No. 01-0071

\* \* \*

D. ANNOUNCEMENT BY SECRETARY: Unanimous adoption of Resolution No. 01-0069 regarding the settlement of an unlitigated Owner Controlled Insurance Program Builders' Risk Claim of M.H. Construction Management Co. in the amount of \$38,329.96; and Resolution No. 01-0070 regarding the settlement of an unlitigated Owner Controlled Insurance Builders' Risk Claim of Tutor-Saliba Corp in the amount of \$90,000.00 at the closed session of February 20, 2001.

\* \* \*

## E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito asked for a report on the Seattle earthquake and the effect it had on the Seattle/Tacoma Airport.

\* \* \*



F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 through 3 were called together. Commissioner Mazzola moved these items and Commissioner Strunsky seconded the motion. The vote to approve was unanimous.

1. Modification No. 7 to Contract No. 5515A - Security and Special Systems - Security Systems - AMELCO Electric - \$3,258,555

No. 01-0072

Resolution approving Modification No. 7 to Contract 5515A, Security and Special Systems - Security Systems, with AMELCO Electric, in the amount of \$3,258,555 for changes related to access control and building interface issues. Funding sources are transfers from Program Reserve and Capital Improvement Program budget.

Mr. Michael Allen, Acting Deputy Director, Bureau of Design and Construction explained that this modification incorporates into Contract No. 5515A changes related to security-access control system and building interface issues associated with the final configuration of the security system in Federal Inspection Services, air operations area and the new garages.

The changes have been reviewed and approved by the Master Plan Advisory Board.

The cost has been included in our forecast presented to the Commission in the quarterly reports. Funding sources are Capital Improvement Program and Program Reserve.

The 3% MBE participation for this modification does not meet the project goal of 8% MBE, however, the 2% WBE goal is exceeded with 5% participation. The cumulative total for this contract, including this modification, will be 7% MBE and 6% WBE. The 7% MBE is lower than the 8% MBE base contract goal which remains unchanged for the ultimate performance of the contract. However, the 6% WBE participation exceeds the base contract goal of 2%.

2. Modification No. 11 to Contract No. 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation - \$1,917,760

No. 01-0073

Resolution approving Modification No. 11 to Contract 5515B, Security and Special Systems - Facility Systems, with HSQ Technology, A Corporation in the amount of \$1,917,760 for changes related to the building and systems interfaces. Funding sources are transfers from the Capital Improvement Program budget and



## Program Reserve.

Mr. Allen explained that the proposed modification includes changes related to the International Terminal Complex fire alarm, supervising control and data acquisition, the addition of 100 defibrillators, and public address systems and fire alarm system for Concourse H.

The modification has been approved by the Master Plan Advisory Board and the cost has been included in our quarterly forecast. Funding will be provided by the Airport's Capital Improvement Program budget and program reserve.

The modification's 9.8% MBE and 13.0% WBE participation and the contract's overall 15% MBE and 11.4% WBE subcontractor participation levels are well in excess of the base contract's 8% MBE and 2% WBE commitments.

### 3. Modification No. 13 to Contract No. 5515C - Security and Special Systems - Terminal Systems - SASCO Electric - \$2,512,280

No. 01-0074

Resolution approving Modification No. 13 to Contract 5515C, Security and Special Systems - Terminal Systems, with SASCO Electric, in the amount of \$2,512,280 for changes related to the systems and facilities interfaces. Funding sources are transfers from the Capital Improvement Program budget, Program Reserve, and the Airport's contribution to the BART/SFO Extension.

Mr. Allen explained that this modification includes changes related to communications and data systems infrastructure in the International Terminal Complex, some minor items for BART operations, and new parking garages.

This proposed modification has been approved by the Master Plan Technical Advisory Board and the costs have been included in our quarterly reports submitted to the Commission.

Funding sources are the Airport's Capital Improvement Program Budget, Program Reserve and the Airport's contribution to the BART/SFO extension.

The scope of this modification does not provide for MBE/WBE subcontracting opportunities. Currently, the cumulative totals of 6.9% MBE and 1.7% WBE participation levels are lower than the base contract's 8% and 2% respective goals which remain unchanged for the ultimate performance of the contract.

\* \* \*

## G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner





Mazzola. The vote to approve was unanimous.

4. Award Contract to Provide Administration and Clinical Management of the SFO Medical Service - Catholic Healthcare West - \$1,600,000

No. 01-0075                      Resolution awarding the contract to Catholic Healthcare West for the Administration and Clinical Management of the SFO Medical Service for three years and four months, beginning March 7, 2001, for an annual amount not-to-exceed \$1,600,000 through June 30, 2004.

Item No. 5 was put over.

5. Authorization to Issue a Request for Proposals (RFP) for Curbside Management Program

No. 01-00                      Resolution authorizing a request for proposals (RFP) for a contractor to staff and manage the Curbside Management Program.

Mr. Daniel Lynch, Teamsters Local 665 spoke in support of the Curbside Management Program and recommended that the contract not go out for another RFP.

Mr. Ross Anderson, representing South and East Bay Airport Shuttle, spoke in support of the Curbside Management Program although felt that costs could be reduced somewhat. They had established a good working relationship with ShuttlePort/DAJA over time and had made recommendations regarding the operation of the yellow zone, some of which were implemented.

Mr. Barry Taranto, United Taxi Workers supported the Curbside Management Program, indicating that it was substantially better than the previous operation. He indicated that improvements could still be made with regard to the performance measures in terms of responding to the drivers concerns.

\* \* \*

H. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

The Consent Calendar, Item Nos. 6 through 19, was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

6. Modification No. 2 to Contract 5709A - AirTrain Road 6 and Rental Car Center Stations - S.J. Amoroso Construction Co., Inc./T.S.M., A Joint Venture - \$258,560

No. 01-0076                      Resolution approving Modification No. 2 to Contract 5709A, AirTrain Road 6 and Rental Car



Center Stations, with S.J. Amoroso Construction Co., Inc./ T.S.M., A Joint Venture, in the amount of \$258,560 for various change order work items. Funds are available in the existing project budget with no impact to the Master Plan Baseline Budget.

7. Modification No. 7 to Contract 5900CM - Construction Management Services for Elevated Circulation Roadways and Inbound and Outbound Ramps Professional Services Agreement - Holmes & Narver/Arcost CPM Group/F.E. Jordan Associates - \$100,000

No. 01-0077 Resolution approving an increase to basic professional services fees in the amount of \$100,000 to provide Construction Management Services. Funding for the services is available in the existing project budget, with no impact on the Master Plan Baseline Budget.

8. Modification No. 11 to Professional Legal Services Agreement - Wulfsberg, Reese & Sykes - \$200,000

No. 01-0078 Resolution approving Modification No. 11 to Professional Legal Services Agreement with Law Firm of Wulfsberg, Reese & Sykes to increase compensation in the amount of \$200,000, all other terms and conditions to remain in full force and effect.

9. Modification No. 3 of Professional Services Agreement to Contract 5511 - Boarding Area A Aircraft Apron - John T. Warren and Associates, Inc. - \$125,000

No. 01-0079 Resolution authorizing Modification No. 3 of Professional Services Agreement to Contract 5511, Boarding Area A Aircraft Apron, with John T. Warren and Associates, Inc. in the amount of \$125,000. Funding sources are budget transfers from Capital Improvement Program funds and Program Reserves.

10. Bid Call - Contract No. 5601L - Utility Relocations Phase VIII

No. 01-0080 Resolution approving the scope, budget and schedule for Contract 5601L Utility Relocations, Phase VIII and authorizing the Director to call for



bids when ready.

The funding sources are Contract 5601 project budget, FOM Contracts 2084 and 1896, and Contract 4109 - Lot CC Development.

11. Modification No. 2 to Professional Services Agreement - Blue & Garni - \$100,000

No. 01-0081 Resolution approving Modification No. 2 to increase funding of Professional Services Agreement with Blue & Garni by \$100,000 to assist in meeting Senior Management staffing needs.

12. Authorization to Conduct a Pre-Bid Conference for the North Terminal Concourse Apparel Boutique Lease, A Disadvantaged Business Enterprise Set-Aside and Approve the Holdover of Current Tenant

No. 01-0082 Resolution authorizing staff to conduct a pre-bid conference for the North Terminal Concourse Apparel Boutique Lease (A Disadvantaged Business Enterprise Set-Aside), and approve the holdover of current tenant.

13. Modification No. 15 of Lease and Use Agreement No. 82-0126 for United Airlines Inc.

No. 01-0083 Resolution approving Modification of United Airlines, Inc.'s Lease and Use Agreement No. 82-0126 to add exclusive use space following completion of the North Terminal, Boarding Area F Hub and Thumb Expansion Project.

14. Reimbursement to United Airlines, Inc. for the Temporary Accommodation of Japan Airlines' Displaced Employee Parking - \$15,000

No. 01-0084 Resolution authorizing additional reimbursement to United Airlines, in an amount not to exceed \$15,000, for the relocation of Japan Airlines' employee parking to United Airlines' leasehold on Plot 52.

15. Approval Of Memorandum of Understanding with the Federal Aviation Administration for Providing Reimbursable Services Pertaining to the Review of,



and Coordination with the Air Traffic Control Tower Siting Study - \$70,000

No. 01-0085                      Resolution approving Memorandum of Understanding with the Federal Aviation Administration for providing reimbursable services for review of and coordination with the Air Traffic Control Tower Siting Study in an amount not to exceed \$70,000.

16.    Consent to Assignment of Professional Services Agreement from Winthrop, Stimson, Putnam & Roberts to Pillsbury Winthrop LLP

No. 01-0086                      Resolution approving consent to assignment of professional services agreement from Winthrop, Stimson, Putnam & Roberts to Pillsbury Winthrop LLP to provide professional consulting services in aviation issues.

17.    Consent to Assignment of Professional Legal Services Agreement from Hopkins & Sutter to Foley & Lardner

No. 01-0087                      Resolution consenting to the assignment of Professional Legal Services Agreement from Hopkins & Sutter to Foley & Lardner to provide legal services in land use and environmental law in connection with the Runway Reconfiguration Project.

18.    Approval of Five-Year Term for the Cellular Phone Rental Service Lease

No. 01-0088                      Resolution approving a five-year term for the Cellular Phone Rental Service Lease.

19.    Settlement of Unlitigated and Litigated Claims for Fiscal Year 1999/00

No. 01-0089                      Resolution ratifying the settlement of unlitigated and litigated claims for Fiscal Year 1999/00 amounting to \$51,715.40.

\* \* \*

I.    NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table





next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

There Commission did not go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:34 A.M.

  
Jean Caramatti  
Commission Secretary



5  
20/01

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

March 20, 2001

9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
Airport Director

DOCUMENTS DEPT

APR 16 2001

SAN FRANCISCO  
PUBLIC LIBRARY

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
March 20, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of March 6, 2001	01-0090	3
D.		ITEMS INITIATED BY COMMISSIONERS:		
		Energy Crisis		3
E.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	1.	Modification No. 4 to Contract 5600C - South International Parking Garage - Tutor-Saliba	01-0091	3-4
	2.	Modification No. 4 to Contract 5700A - AirTrain Guideway, East Loop - Tutor-Saliba	01-0092	4-5
	3.	Modification No. 29 to Contract 5500E - International Terminal General Construction - Tutor-Saliba Corp/Perini Cor/Buckley & Co.	01-0093	5-6
	4.	Modification No. 7 to Contract 5500F - International Terminal Baggage System - BAE Automated Systems	01-0094	6
	5.	Modification No. 9 to Contract 5511A - Boarding Area A, Aircraft Apron - Ghilotti Brothers	01-0095	6-7
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	6.	Authorization to Issue a Request for Proposals for Curbside Management Program	01-0096	7-8
	7.	Approval of Project to Develop, Construct and Operate a Commercial Power Plant	01-0097	8-10
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	8.	Modification No. 11 to Contract 5900D - Elevated and Surface Circulation Roadways - Myers/		



	Kulchin-Condon	01-0098	10-11
9.	Submission of Passenger Facility Charge Application	01-0099	11
10.	Approval of New International Terminal Building Delay Cost Reimbursement to Food and Beverage Tenants	01-0100	11
11.	Approve Lease Modification for South Terminal Boarding Area A Retail Lease A-1 and Place DeLaVe, Inc.	01-0101	12
12.	Modification No. 3 to Legal Services Agreement - Sheppard, Mullin, Richter & Hampton	01-0102	12
13.	Authorization to Issue Request for Qualifications/ Proposals and Lease Specifications for SFO Cyber Room Technology Showcase Concession Lease	01-0103	12
14.	Authorization to Conduct a Pre-Bid Conference for the North Terminal California Product Shop Lease	01-0104	12
15.	Peninsula Corridor Joint Powers Board	01-0105	12
16.	Authorization to Issue a Rental Credit to Nippon Cargo Airlines	01-0106	12-13
H.	PUBLIC HEARING:		
17.	Proposed Amendments and Additions to the Airport's Rules and Regulations	01-0107	13
I.	NEW BUSINESS:		
	Curbside Management Program		13
	Pass Through		13
J.	CORRESPONDENCE:		
			13
K.	CLOSED SESSION:		
	Potential Litigation		13
L.	ADJOURNMENT:		
			14





# AIRPORT COMMISSION MEETING MINUTES

March 20, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:02 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

Absent:	Hon. Larry Mazzola, Vice President
---------	------------------------------------

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 6, 2001 were adopted unanimously.

No. 01-0090

\* \* \*

## D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton asked for a report on the energy crisis and its effect on the Airport.

\* \* \*

## E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

1. Modification No. 4 to Contract No. 5600C - South International Parking Garage Tutor-Saliba Corporation - \$3,282,885

No. 01-0091	Resolution approving Modification No. 4 to Contract 5600C, South International Parking Garage, with Tutor-Saliba Corporation, in the amount of \$3,282,885 for additional work related to project interfaces, added scope, unforeseen
-------------	---



site conditions, and design changes to facilitate construction. The funding sources are Program Reserve and budget transfers.

Mr. Michael Allen, Deputy Director, Bureau of Design and Construction explained that this modification provides for various administrative changes such as final adjustment of bid items and allowances, changes for AirTrain, design revisions, changes to facilitate construction, Airport operational changes such as adding an industrial waste station to dispose of effluent from garage floor clean up, out-of-scope work for other projects, and unforeseen site conditions.

Funding sources include Management Reserve (\$2.9 million) and transfer from other projects (\$294,000).

This modification has been reviewed and approved by the Master Plan Technical Advisory Board and the cost forecasted in the Master Plan Quarterly Reports.

The original base contract subcontracting goals for MBE and WBE participation were 18% and 3% respectively. Tutor-Saliba was credited with 24% MBE and 1.20% WBE participation levels, and demonstrated sufficient "good faith efforts" to be approved by HRC. This modification provides 32.50% MBE and 0% WBE. With this modification, the MBE/WBE subcontractor participation will be 21.36% and 1.08% respectively. While the MBE participation exceeded the original goal of 18%, the contractor did not meet its commitment of 24%. This was primarily due to scope changes that did not include MBE subcontracting trades. The WBE commitment of 1.20% was also missed with a 1.08% participation level. A major contributing factor was that the WBE landscape subcontractor (at 40% of the commitment) withdrew from the contract because it went out of business. This is the final modification settling all monetary issues, and the contract will be closed out pending completion of outstanding punch list work.

Commissioner Strunsky noted that this project is approximately \$220,000 under the revised budget and asked if this money will go back into the pool for other projects.

Mr. Allen responded that it will.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Modification No. 4 to Contract No. 5700A - AirTrain Guideway, East Loop  
Tutor-Saliba Corporation - \$1,378,020

No. 01-0092

Resolution approving Modification No. 4 to Contract 5700A, AirTrain Guideway, East Loop, with Tutor-Saliba Corporation, in the amount of \$1,378,020, for Airport-initiated changes,



unforeseen site conditions and design changes to facilitate construction. The funding source is Program Reserve.

Mr. Allen explained that this modification is a compilation of changes to facilitate construction. The cost includes final close-out settlement amounts for the seven listed subcontractors. We expect one more modification to close out the contract.

This modification has been reviewed and approved by the Master Plan Advisory Board and the costs have been included in the cost forecast presented to the Commission in the Master Plan Quarterly Reports.

The original HRC goal for this contract was 15% combined M/WBE participation. The contractor's 10.3% M/WBE program was accepted at the time of the award together with its good faith efforts. Through this modification, the last before the final close-out, the contractor achieved 18% MBE and 5.6% WBE participation levels for a combined total of 23.6%, far exceeding the original 10.3%.

Item No. 3 was moved by Commissioner Ito and seconded by Commissioner Strunsky. The vote to approve was unanimous.

3. Modification No. 29 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba Corporation, Perini Corporation and Buckley & Company, Inc., A Joint Venture - \$811,958

No. 01-0093	Resolution approving Modification No. 29 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba Corporation, Perini Corporation and Buckley & Company, Inc., A Joint Venture, in the amount of \$811,958, for work related to changes to facilitate construction. Funding source is Program Reserve.
-------------	---

Mr. Allen explained that the proposed modification is a compilation of changes to facilitate construction. The cost includes final close-out settlement amounts for the seven listed subcontractors. There will be one more modification to close out the contract.

The modification has been approved by the Master Plan Technical Advisory Board and the costs have been included in the budget forecasts presented to the Commission in Quarterly Reports.

The original HRC goal for this contract was 15% combined MBE/WBE participation. The contractor's 10.3% MBE/WBE program was accepted at time of award on its good faith efforts. Through this modification, the last before the final closeout modification, the contractor has achieved 18.0% MBE and 5.6% WBE participation levels for a combined total of 23.6%, far in excess of the



original goal and contractor's commitment at time of award.

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

4. Modification No. 7 to Contract No. 5500F - International Terminal Baggage System - BAE Automated Systems Inc. - \$3,195,420

No. 01-0094	Resolution approving Modification No. 7 to Contract 5500F, International Terminal Baggage System, with BAE Automated Systems Inc., in the amount of \$3,195,420. Funding source is contract contingency and Program Reserve.
-------------	--

Mr. Allen explained that this modification provides for changes to facilitate construction, unanticipated conditions, and change impact mitigation.

Funding sources include contingency and program reserve. The work has been reviewed and approved by the Master Plan Technical Advisory Board and the costs have been included in the Master Plan Quarterly Report forecast.

The original HRC combined MBE/WBE goal for this contract was 5%. The contractor, BAE, was credited with 5.28% by HRC at time of award. The participation level through this modification is 9.04%, exceeding both the original goal and the contractor's commitment at award. This is the last modification before closeout.

Commissioner Strunsky said that he hears the baggage system is working very well.

Item No. 5 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

5. Modification No. 9 to Contract No. 5511A - Boarding Area A, Aircraft Apron Ghilotti Brothers Construction, Inc. - \$2,365,114

No. 01-0095	Resolution approving Modification No. 9 to Contract 5511A, Boarding Area A, Aircraft Apron, for providing construction services for the completion of site improvements at the North Cargo Facility and Japan Airlines site. Funding will be provided by a budget transfer from construction Contract 5750B as part of a scope transfer, and the Airport's Master Plan Program wide Hazardous Material/Demolition contract.
-------------	---

Mr. Allen explained that this modification includes additional scope related to unforeseen conditions in the construction of aircraft taxiway and parking





hardstands at the North Cargo Facility and the adjacent Japan Airlines Cargo building site.

Funding sources are budget transfers from the North Cargo Facility Apron Contract No. 5750B (\$2 million) and Master Plan program-wide Hazardous Material Removal/Demolition Contract (\$365,000).

This modification has been approved by the Master Plan Technical Advisory Board and the cost included in the cost forecast presented in the Master Plan Quarterly Report.

The base contract goals for MBE/WBE participation were 10% and 6% respectively. At award, the contractor, Ghilotti Brothers, committed 25.8% MBE and 11% WBE subcontracting participation levels. Through this modification, the contract provides 20.7% MBE and 8.3% WBE which exceed the original goals but falls short of the contractor's commitment at award.

\* \* \*

#### F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 6 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

6. Authorization to Issue a Request for Proposals (RFP) for Curbside Management Program

No. 01-0096

Resolution authorizing to issue a request for proposals (RFP) for a contractor to staff and manage the Curbside Management Program.

Mr. Peter Nardoza, Deputy Director, Public Affairs said that the Commission has received a copy of the Harvey Rose report.

He assured the Commission that the new RFP mandates the same service level as the existing contract. It also addresses the concerns expressed by the members of the Board. We believe this is a better document and we will have a tighter contract at the end of this process.

Should the Commission approve the RFP today it will be presented to the members of the Board before it goes on the street.

Commissioner Ito commented that this is the fifth time the Commission is visiting this issue. The report proposes ten performance measures to tighten up the contract. She was unclear on other concerns raised in the Report such as the services that were part of the contract. Without knowing the specifics of the new RFP she is not sure if it was cleaned up to the Board's satisfaction. The concerns included greeting drivers, answering questions, etc. There was a list of services that would be accommodating to customers.



Mr. Nardoza believed that Mr. Rose's intent was that those kinds of services were immeasurable. There was no way that Airport staff could use them as a means of validating the contract. Other measurements have been added, but we will still require the contractor to provide those unmeasurable services that are courtesy in nature, but put a very good face on SFO.

Commissioner Ito noted for the record that with respect to the budget and some of the increases, it is primarily an expansion of services related to labor costs and the cost of doing business at the Airport today with adequate wages to reduce turnover.

She pointed out that the report does compliment the services provided to date. There is still a lot to learn from this contract in terms of the best practice and the types of services that can be improved upon.

She hoped that we have a better picture of the Finance Committee's expectations.

Commissioner Crayton said that she was dismayed that the Airport has to go through this again, however, we do have to move forward, The Commission and staff did an excellent job on the previous RFP and selection of a contractor.

Will there be another pre-proposal process.

Mr. Nardoza responded that there will be. Board staff members will also be invited to attend that meeting.

Commissioner Strunsky assumed that all of the Board's concerns were covered in the Harvey Rose Report. If this Commission approves a new RFP that responds to the questions in the Report, we have done our due diligence to the Finance Committee and we can be relatively secure that these issues are dealt with and we can move on and provide service to our customers.

Mr. Nardoza agreed. We have incorporated in the new document all of the written concerns expressed in the Report and verbalized by members of the Committee at that time. He will take unprecedented steps with this particular RFP in that we will share it early on with the staff of the Board. He cannot see any valid reason at the end of this process why there should be any objection by a member of the Board of Supervisors to its outcome.

Commissioner Strunsky asked if the new contract is structured in the same manner ... one year with options to renew.

Mr. Nardoza responded that it is.

Item No. 7 was moved, as amended, by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Approval of Project to Develop, Construct and Operate Commercial Power Plant



Resolution approving a project whereby United Golden Gate Power Company, LLC, a wholly owned subsidiary of El Paso Merchant Energy Company, would develop, construct and operate a commercial power plant on Airport property currently leased to United Airlines, Inc., and sell power to Hetch Hetchy Water & Power to serve the Airport and other municipal loads.

Mr. John Costas, Chief of Staff explained that for the last five years the Airport has been working with power suppliers to insure that the Airport achieves a level of self sufficiency, reliability and redundancy in power supply at the Airport. As a result, in mid 1999 the Airport was approached by El Paso Merchant Energy Company and United Airlines with a proposal to develop a 570 megawatt commercial power generation plant.

This plant was proposed to provide electricity to the Airport and its tenants as well as selling excess capacity to off-Airport customers who are on the power grid.

In response to Assembly Bill 970, which provides for an expedited review and certification of temporary power plants, this project was broken up into two phases. Phase One would develop a 50 megawatt plant for about three years, with the addition of turbines and other equipment to bring it up to a 570 megawatt plant.

The California Energy Commission approved and certified the Phase One 50 megawatt plant on March 7, 2001.

This is a four party agreement ... SFO, United Golden Gate Power (a subsidiary of El Paso Merchant Energy Company), the PUC (Hetch Hetchy) and United Airlines. The agreement would require relinquishment of United's leased property for development, lease and operating agreements between the Airport and the power company, and a power purchasing agreement.

For the last year we have been negotiating in good faith with all parties on this project and we have come to an agreement on the basic terms, options, buy-out, title, rent and construction and operations of the 50 megawatt and the 570 megawatt plant. Those terms and conditions are outlined in the memorandum before the Commission.

We feel confident about moving ahead on this project, however, yesterday we received correspondence from El Paso which indicated changes in the terms of the agreement. We are committed to the project, and we intend to follow up with El Paso to clarify the intent of the correspondence.

If the Phase One and Phase Two plant were developed as agreed to it would provide the Airport with consistent and reliable power needed to operate in all conditions, as well as provide additional power for the Peninsula grid.





In light of the importance of this project, we are providing a revised resolution and ask Commission approval of the project as outlined in the terms and agreements in the memorandum with the four parties, and to seek approval of the project on those terms. If any of those terms were to change, staff would return to the Commission to seek a revised action on the project.

The specific language added to the resolution reads: "That if negotiations in the relevant agreements authorized hereby result in any material changes in the project as outlined in the memorandum, the Director shall return to the Commission for its consideration of such material changes and shall not execute such agreements unless and until the Commission has approved the project as changed."

Commissioner Ito noted that we are approving Phase One and Phase Two together because they are interrelated. However, once Phase One has been completed Phase Two must still return to the California Energy Commission. Will it then have to come back to the Airport Commission?

Mr. Costas responded that the entire project is before the Commission because the terms, conditions and agreements relate to both phases of the project. The Phase Two plant is not yet approved by the California Energy Commission. If the Commission does not wish to approve Phase Two at this time it does not have to, however, this approval does approve the terms and conditions. It would be incongruent not to approve it all at once.

If we were to segment approval for Phase One and Phase Two it would jeopardize the integrity of the negotiations on the terms that have been established.

Commissioner Strunsky commented that the Airport has negotiated a deal and taken the high road and we have suddenly been met at the last minute by an organization that has changed the rules. He hoped that the people we are negotiating with recognize that this Commission is approving the deal that was negotiated and that they will go back and reconsider some of the issues that they brought up yesterday knowing that it was coming before the Commission today.

Commissioner Berman asked for correspondence between both parties.

\* \* \*

#### G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 8 through 16 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

8. Modification No. 11 to Contract No. 5900D - Elevated and Surface Circulation Roadways - Myers/Kulchin-Condon, A Joint Venture - \$423,120

No. 01-0098

Resolution approving Modification No. 11 to





Contract 5900D, Elevated and Surface Circulation Roadways, with Myers/Kulchin-Condon, A Joint Venture, in the amount of \$423,120. Funds will be provided from Management Reserve.

9. Submission of Passenger Facility Charge (PFC) Application

No. 01-0099 Resolution authorizing the Director to file an application with the Federal Aviation Administration to impose and use a Passenger Facility Charge of \$4.50 per enplaning passenger at SFO.

10. Approval of New International Terminal Building Delay Cost Reimbursement to Food and Beverage Tenants - \$821,000

No. 01-0100 Resolution authorizing the reimbursement of delay costs to the food and beverage tenants in the New International Terminal in an aggregate amount not-to-exceed \$821,000.

Commissioner Ito asked if this completes the reimbursements.

Mr. Bob Rhoades, Deputy Director, Business and Finance responded that this completes the reimbursement for the delay from September 26 through December 10 for the food and beverage tenants. We have not received information from some of the retail tenants who experienced the same type of difficulty, with one additional requirement being the carry forward of merchandise.

Commissioner Strunsky asked if provision is being made to direct money to lien holders to protect the Airport against liability.

Mr. Rhoades responded that this reimbursement strictly addresses the direct costs associated with the delay, which was two components for food and beverage operators ... the cost of carrying money based on a loan, or the fact that they had to hire managers and other key staff in order to prepare for the December 10 opening.

Commissioner Strunsky asked if a tenant is owed cash under this agreement but is in default with the Airport under another phase of its relationship, do we intend to pay them and not cure the default?

Mr. Rhoades responded that there is one situation with an operator regarding a number of complicated issues where there will be a negotiated settlement. The other 15 operators are all in good standing with the Airport. This reimbursement will be provided to them based on information that was certified.



11. Approval of Lease Modification for South Terminal Boarding Area A Retail Lease A-1 and Place DeLaVe, Inc.  
  
No. 01-0101                      Resolution approving a lease modification to eliminate the minimum annual guarantee for the Boarding Area A Retail Lease A-1 and Place DeLaVe, Inc. on percentage rent, set a fifteen percent (15%) of gross receipts, effective March 5, 2001, through the remaining term of the lease.
  
12. Modification No. 3 to Legal Services Agreement - Sheppard, Mullin, Richter & Hampton - \$250,000  
  
No. 01-0102                      Resolution approving Modification No. 3 to Professional Legal Service Agreement with Sheppard, Mullin, Richter & Hampton to increase compensation by the amount of \$250,000; all other terms and conditions of the contract to remain in full force and effect.
  
13. Authorization to Issue a Request for Qualifications/Proposals and Lease Specifications for SFO Cyber Room Technology Showcase Concession Lease  
  
No. 01-0103                      Resolution approving lease specifications and authorizing staff to issue a request for qualifications and proposals for the SFO Cyber Room Technology Showcase Lease.
  
14. Authorization to Conduct a Pre-Bid Conference for the North Terminal California Product Shop Lease  
  
No. 01-0104                      Resolution authorizing staff to conduct a pre-bid conference for the North Terminal California Products Shop Lease, a disadvantage business enterprise set -aside.
  
15. Peninsula Corridor Joint Powers Board  
  
No. 01-0105                      Resolution approving a contract with the Peninsula Corridor Joint Powers Board to operate expanded weekend service on its Samtrans BX route through the opening of BART to SFO Service, in an amount not-to-exceed \$200,000.
  
16. Authorization for Rental Credit Issuance to Nippon Cargo Airlines



Resolution authorizing the issuance of a rental credit to Nippon Cargo Airlines in an amount not to exceed \$250,000 for the completion of base building punch list items at North Field Cargo Building.

Commissioner Strunsky asked if we are going to make a claim on the contractor's bond?

Mr. Tom Kardos, Deputy Director, Airfield Development responded that it is going to be part of the close-out. We have a retention from the contractor. The final close-out will net out the cost.

The bond holder has been put on notice.

\* \* \*

#### H. PUBLIC HEARING:

The public hearing was convened at 9:43 A.M. and adjourned at 9:46 A.M., there being no requests to speak from the public.

Item No. 17 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

#### 17. Proposed Amendments and Additions to the Airport's Rules and Regulations

Resolution approving the proposed amendments and additions to the Airport's Rules and Regulations to clarify and strengthen the language of existing rules governing all airport users and to reflect changes to the governmental regulations to which the Airport must conform.

Commissioner Ito asked, regarding strengthening the Non-Discrimination Policy, what happens if the contractor does not address the problem? What is the resolution if they don't comply with the training or the directive?

Ms. Mara Rosales, Airport General Counsel, responded that upon recommendation by the Director, it could be viewed as a breach of the lease agreement and whatever appropriate remedies would flow from the particular situation at hand. The tenant could be declared in breach by the Commission and the lease could be terminated.

Commissioner Ito noted that the language in 3.7, Airport Non-Discrimination Policy, is not clear.

Ms. Rosales responded that she did not believe that the language needed to be in the Rules and Regulations because it is in the lease agreement.



I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Barry Taranto, United Taxicab Workers, said that it was a shame that we have to go through another RFP for the Curbside Management Program. He supported staff's efforts. ShuttlePort has done a good job in setting up this program, although improvement needs to be made in the oversight of employees. There also needs to be less turnover in employees.

He thanked Landside Operations for expanding the parking garage to allow for more cabs to line up without creating problems. It is better organized and is easier to manage.

The pass through was delayed but they want to continue the process. The Airport has been kind in allowing the drivers more short trips. They still want to push to get more of the fee cab drivers pay to the Airport passed onto the passenger.

There needs to be a better relationship between the Police Department and the Airport's Landside staff. The Police Department wants to create its own rules and they need to back off. He hoped the Airport would be supportive of this issue.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 9:53 A.M. and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

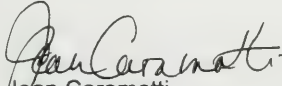
The Commission reconvened its public session at 10:00 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.





L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:01 A.M.

  
Jean Caramatti  
Commission Secretary



**AIRPORT  
EXPRESS**

SAN FRANCISCO

**415 • 775 • 5121**

865 POST STREET • SAN FRANCISCO, CA 94109  
FAX 925 • 932 • 8067

3/19/2001

San Francisco Airports Commission  
San Francisco, Ca.

**Hand Delivery**

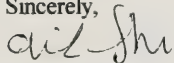
To The President and the Commissioners:

This letter addresses the agenda item having to do with authorizing new bids for the Curbside Management Program at SFO.

Having operated at SFO curbsides for over 20 years, we feel it is fair and correct to inform you that, in our opinion, it would be a grave mistake to replace the current curbside operators, DAJA . During the year in which they have coordinated, an unprecedented period of organization and compliance has been seen at SFO. The traditional coordinator problems of driver payoffs, favoritism, untimely dispatching, and disregard of customer and operator needs, have resolved a great deal during the time DAJA has managed our curb. While, many times, we still find ourselves disadvantaged due to the unfair zone assignment among the van companies, DAJA 's presence has been the only event which has mitigated, to some extent, the curb situation at SFO.

There are tremendous difficulties in providing fair and professional curbside coordinating at SFO. This results from the tremendous pressure generated by the competition between the various companies, the aggressive nature of many of the driver employees, and the built-in requirement to keep traffic moving--regardless of conflicting demands and desires on the part of operators, the traveling public, and Landside overseers. We find that, during DAJA 's tenure, these problems have been addressed better, and more consistently, than at any previous time. It would be difficult to imagine a return to the old days when, on top of all of our other difficulties, even the curbside coordinating is deficient and inconsistent.

As people who are daily impacted by the coordinating actions, we urge you to retain DAJA's services at SFO.

Sincerely,  


Arik Sharabi  
President



5  
3/01

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

April 3, 2001

9:00 A.M.

DOCUMENTS DEPT.

APR 27 2001

SAN FRANCISCO  
PUBLIC LIBRARY

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
April 3, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of March 20, 2001	01-0108	3
D.		SPECIAL ITEM:		
	1.	Aeroground's Appeal to the Card Check Rule	01-0109	3
E.		DIRECTOR'S REPORTS:		
	2.	Report on Door-to-Door Van Services at SFO		3-6
F.		ITEMS INITIATED BY COMMISSIONERS:		
		Power plant		6
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Modification No. 2 to Contract No. 4156 - As-Needed Electrical, Year 2000	01-0110	7
	4.	Modification of Clean Vehicle Taxi Program	01-0111	7-8
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Modification No. 1 to Operate the Caltrain SFO Shuttle	01-0112	8
	6.	Bid Call - Contract 4061A - Industrial Waste System Improvement	01-0113	8
	7.	Bid Call - Contract 2084 - New Utility Mains - Northeast Field	01-0114	8-9
	8.	Reject All Bids - Contract 3845 - South Terminal Fall Protection System	01-0115	9
	9.	Reject All Bids - Contract No. 3846 - East Terminal Fall Protection System	01-0116	9





I.	NEW BUSINESS:	9
J.	CORRESPONDENCE:	9
K.	CLOSED SESSION:	
	Potential Litigation	9-10
L.	ADJOURNMENT:	10



# AIRPORT COMMISSION MEETING MINUTES

April 3, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton  
Hon. Caryl Ito  
  
Hon. Larry Mazzola, Vice President

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 20, 2001 were adopted unanimously.

No. 01-0108

\* \* \*

Item Nos. 1 and 2 were put over to the end of the meeting.

## D. SPECIAL ITEM:

A court reporter's transcript of Item No. 1 is available. Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

### 1. Aeroground's Appeal to the Card Check Rule

No. 01-0109 Aeroground's Appeal of the denial by the Airport Director of its petition for exemption from the application of the Card Check Rule.

\* \* \*

## E. DIRECTOR'S REPORTS:

### 2. Report on the Door-to-Door Van Services at San Francisco International Airport - Verbal Report



Final report of the door-to-door van services at  
San Francisco International Airport.

Mr. Tony Bruzzone, Pacific Transit Management, introduced his associate Mary Walther. He explained that ground transportation was deregulated by the CPUC and the Airport has been living with for 15 years. With the deregulation of utilities we now see the pitfalls.

The deregulation plan was flawed and had very little oversight and enforcement by the traditional regulators, the CPUC.

Two surveys of the van shuttle services at the Airport were conducted ... the first was last March, with a follow-up survey this January. They took a total of about 100 rides in each of those months, with about five or six rides per company. There are 14 companies.

There findings were as follows:

When they were in San Francisco, in any area other than downtown, 65% of the time they could not get a reservation.

When they tried to pick up a van, about a third of the time drivers solicited on the curb.

About a third of the time when they tried to get a ride away from the Airport, the drivers would refuse to convey them to an area within their service area.

About 15% to 16% of the time there were documented instances of unsafe driving. About 9% or 10% of the time the passenger was charged above the lawful tariff.

The findings were consistent in March and January.

The van services have not met the Airport's objective for first class operation. It is clear that the free market is not working. The reason is that many providers are needed for a free market to work, which we have. But informed consumers are also needed. At SFO, 60% of the passengers are from outside of the Bay Area, so we have a lot of uninformed consumers. So, the market cannot function.

These poor services are a direct result of a policy in a regulatory vacuum.

In other areas, airports have realized what is happening and they have tried to make the van services much more useable to the passenger.

The recommendations are that the Airport policy needs to recognize that we have a problem in the deregulated environment. The staff needs authority from the Commission to make these services first class. To do that permits must be tightened up initially. Van drivers, unlike cab drivers, have no background check



requirements. The vehicles should be randomly inspected and pulled out of line on a moments notice to check for safety violations. Failing these recommendations, a longer term proposal could be to bid out the services.

Mr. Ray Sloan, representing some of the van companies, said that he has been addressing the Commission for the past six years on how the distribution of the zones will occur. It has always been their contention that there needs to be a fairer distribution of zones. Mr. Bruzzone's report did not address the fundamental problem of how this will be done.

Some progress has been made with the reconfiguration of the international zone which clusters the companies together.

He represents approximately 600 drivers among eight companies. His experience is that all of them are hard working people trying to do a difficult job. He did not like the characterization made by the consultant that these are bad people. All of the companies have tried to do a fair and adequate job.

He looked forward to the hearings that are anticipated.

Commissioner Ito asked what the turnover rate was for drivers.

Mr. Sloan responded that he would have to ask the owners.

Commissioner Crayton asked him which companies he represents.

Mr. Sloan responded that he represents Airport Express, Bay Shuttle, City, Advanced, and Pacific Shuttle. He was asked to attend this meeting by Airport Express and Bay Shuttle.

Mr. Arik Sharabi, Airport Express said that he created the shuttle service in 1982. Some of his drivers have been working for him for 16 years.

Zone distribution has to be fair.

His buses are all fairly new and they go through inspections. Their overhead is much higher than those companies operating in private zones.

He has 23 vans and they all operate in San Francisco. They are not allowed to increase their fleet.

Commissioner Crayton asked Mr. Sharabi if his company has been adversely effected.

Mr. Sharabi responded that it has and he can document it.

Commissioner Crayton asked how many drivers he employs.

Mr. Sharabi responded that he has between 30-35 drivers.





Mr. Sharabi complained that his company cannot be found at the Airport because the signage is so small.

Mr. Roni Rotholz, attorney representing several of the van companies, asked if this would initiate a period of time where the Commission would consider changes, upgrades or improvements?

Mr. Martin responded that those questions are best answered by Alice SGourakis after the meeting.

Mr. Rotholz said that the focus of the consultant's reports and the focus of the companies are not mutually exclusive. The report's concerns about public safety, service, image and conduct are also of concern to the van companies. There is a direct connection between the ability to provide the best possible service and the way the Airport manages the service.

The number one focus of the Airport is public service. One specific concern was refusal of service to specific areas, but a company cannot afford to serve every area if they are not allowed to expand.

If a company is charged a loop fee and a coordination fee but is provided different access to the curb, it is not a level playing field.

Mr. Martin said that the focus is improving the level of service for customers using door-to-door vans. Hearings will be held on the findings and recommendations of the consultant. He will report back to the Commission with any staff recommendations.

Mr. Barry Taranto thanked the Commission for approving the expansion of the CNG vehicle program.

The companies that have addressed the Commission are the same companies whose drivers sit in taxi stands at the hotels and other downtown locations and steal their fares. He has been pushing for an increase in the fine for a non-taxi vehicle sitting in a taxi stand from \$23 to \$50.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky asked for a report regarding the construction and installation on the generating capacity.

Mr. Martin responded that he would. We are still in negotiations and there are some significant differences in positions.

Commissioner Strunsky asked for alternatives if that agreement does not come to fruition.

\* \* \*



G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Modification No. 2 to Contract 4156 - As-Needed Electrical, Year 2000  
Barri Electric Company Incorporated - \$3,500,000

No. 01-0110	Resolution approving Modification No. 2 to Contract No. 4156, As-Needed Electrical, Year 2000 with Barri Electric Company Incorporated in the amount of \$3,500,000.
-------------	---

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that this contract will provide emergency and critical work to keep the Airport's electrical system up and running.

Over the next six months the infrastructure will be severely taxed due to power limitations. We will continue to have Phase 2 and Phase 3 alerts, as well as rolling black outs.

This modification will procure six-one megawatt portable generators to supply enough power to meet critical needs for our power generation so that we can provide power to our tenants and airlines outside of the California grid system. This will mainly provide power for the air conditioning system so that computer rooms can be kept at reasonable temperatures, and also provide minimal comfort for passengers and tenants.

Since there is such a high demand for generators we are seeking a contract modification rather issuing a new contract which would take two to three months.

Commissioner Ito asked how quickly this can be done.

Mr. Eavis responded that if approved, the generators could be shipped within seven to ten days.

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

4. Modification of Clean Vehicle Taxi Program

No. 01-0111	Resolution establishing a new incentive for clean vehicle taxicabs serving the airport.
-------------	--

Ms. Alice Sgourakis, Landside Operations explained that for the past year Landside and Government Affairs has been working with the Department of Environment to develop an incentive program to encourage taxi companies to



purchase clean fuel vehicles.

Last year the Commission approved a resolution allowing front of the line privileges for clean fuel taxis once per driver shift, and one free trip per driver shift. In the meantime compressed natural gas (CNG) has increased significantly in price and the interest in the program has declined as a result.

The deadline for ordering new vehicles is April 16, using Bay Area Air Quality Management District funding, although the Department of Environment has requested a two month extension.

In order to stimulate interest in the program and use Air District funds that have already been awarded to the City by the deadline, we are recommending that the Commission approve one additional front of the line privilege for CNG taxis. The Director will determine the duration of this new incentive in concert with the taxi companies and taxi drivers.

Commissioner Ito asked what percentage of taxis will be CNG?

Ms. Sgourakis responded that over the next two years we expect that up to 60 CNG taxis will be in operation.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 through 9, were moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

##### 5. Modification No. 1 to Operate the Caltrain SFO Shuttle

No. 01-0112

Resolution modifying the contract for operation of the Caltrain-SFO Shuttle to include the requirements of San Francisco Administrative Code Chapter 12P minimum compensation ordinance and add a contract clause relative to fuel cost reimbursement.

##### 6. Bid Call - Contract No. 4061A - Industrial Waste System Improvement

No. 01-0113

Resolution approving the scope, budget, and schedule for Contract No. 4061A, Industrial Waste System Improvement, and authorizing the Director to call for bids when ready.

##### 7. Bid Call - Contract No. 2084 - New Utility Mains - Northeast Field

No. 01-0114

Resolution approving the scope, budget, and



schedule of Contract No. 2084, New Utility Mains - Northeast Field, and authorizing the Director to call for bids when ready.

8. Reject All Bids - Contract No. 3845 - South Terminal Fall Protection System

No. 01-0115                      Resolution rejecting all bids for Contract 3845, South Terminal Fall Protection System, and authorizing the Director to re-bid the contract when ready.

Commissioner Crayton asked what the urgency is in this item.

Mr. Eavis responded that it will go right back out to bid. Since there aren't many contractors who do this type of work because of the liability involved, we will do a greater outreach effort.

Commissioner Ito noted that the sole bidder was a WBE and asked Mr. Eavis if the problem was a lack of understanding of the process.

Mr. Eavis responded that he believed that the directions were not clear but promised that would not happen again.

9. Reject All Bids - Contract No. 3846 - East Terminal Fall Protection System

No. 01-0116                      Resolution rejecting all bids for Contract 3846, East Terminal Fall Protection System, and authorizing the Director to re-bid the contract when ready.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

\* \* \*

J. CORRESPONDENCE:

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to





conduct a Closed Session.

The Commission did not go into closed session.

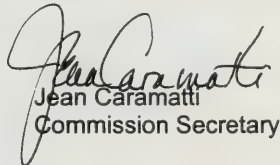
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:15 AM.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



DOCUMENTS DEPT.

JUN - 1 2001

SAN FRANCISCO  
PUBLIC LIBRARY

## MINUTES

April 18, 2001

Special Meeting

9:00 A.M.

✈ ROOM 416 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Special Meeting of  
April 18, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of April 3, 2001	01-0117	3
D.		DIRECTOR'S REPORTS:		
	1.	Airport Wide Job Fair		3
E.		ITEMS INITIATED BY COMMISSIONERS:		
		Women's Summit		4
F.		POLICY:		
	2.	Intellectual Property Policy	01-0118	4
G.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	3.	Modification No. 3 to Contract 5670A - Concourse H/AirTrain Station & North International Parking - Tutor-Saliba Corp.	01-0119	4-5
	4.	Modification No. 10 to Contract 5500CM - Professional Services Contract - SFO Associates	01-0120	5-6
H.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	5.	Memorandum of Agreement with the National Oceanic and Atmospheric Administration	01-0121	6-7
	6.	Modification No. 3 to Contract 5500S - SFIA Aviation Library and Museum - Lem/MH Construction	01-0122	7
I.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	7.	Modification of Federal Aviation Administration Lease and Agreement for Operation of Glide Slope		



	Equipment, Runway 28L	01-0123	8
8.	Termination of Hydrant Fuel System Agreement for Boarding Area D	01-0124	8
9.	Award Lease for Cellular Phone Rental Service - Action Cellular		8-11
10.	Approve Lease Specifications and Authorization to Accept Bids for North Terminal Candy Store Lease	01-0125	11-12
11.	Issue a Request for Proposals to Provide Program Management Services for the Runway Reconfiguration Program	01-0126	12
12.	Consent to Assignment and Modification No. 1 to Professional Services Agreement 7000.12 for Development of an Airfield Public Interest Committee and Permit Approval Strategies from Baker & McKenzie to Steefel, Levitt & Weiss	01-0127	12
13.	Modification No. 3 to Professional Services Contract with Gerchick-Murphy Associates to Provide Continued International Aviation Development Services	01-0128	12-13
14.	Modification No. 4 to Professional Services Contract with MacKenzie Communications for Continued Development and Outreach to the Bay Area Business Coalition to Promote Increased International Air Traffic	01-0129	13
15.	Approve Rental Agreement with State of California, Department of Transportation (CalTrans) for CalTrans Parcel (04-SM-101-08) for Access and Parking	01-0130	13
16.	Reimbursement to Christian Science Reading Room for Construction and Relocation Costs	01-0131	13
J.	NEW BUSINESS:		13
K.	CORRESPONDENCE:		13-14
L.	CLOSED SESSION:		
	Potential Litigation		14
M.	ADJOURNMENT:		14





# AIRPORT COMMISSION SPECIAL MEETING MINUTES

April 18, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 416, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Caryl Ito

Absent: Hon. Linda S. Crayton

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of April 3, 2001 were adopted unanimously.

No. 01-0117

\* \* \*

## D. DIRECTOR'S REPORTS:

### 1. Director's Report - Airport Wide Job Fair

Summary report of the Airport's second Annual Job Fair held at the Cow Palace, April 7, 2001.

Mr. John Martin, Airport Director said that the second annual Job Fair was held on April 2 at the Cow Palace, with 5,000 attendees and 44 Airport tenants participating. Many job offers were made on the spot.

Commissioner Ito complimented staff on their outreach efforts for this event.

Commissioner Strunsky asked if we will do this every year.

Mr. Martin responded that we will.

\* \* \*



E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito commented on the success of the Women's Summit held on April 17, 2001 under the leadership of Commissioner Linda Crayton.

\* \* \*

F. POLICY:

Item No. 2 was moved by Commissioner Ito and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Intellectual Property Policy

No. 01-0118                      Resolution adopting a policy regarding use and protection of Intellectual Property.

Mr. Adrienne Go, Deputy City Attorney explained that this item confirms the Commission's position that it will not tolerate the unauthorized use of the Airport's intellectual property, including the SFO logo.

The policy outlines the steps the Airport will take to minimize, if not prevent, the unauthorized use of intellectual property. It also includes a mechanism by which the Airport Director can, where appropriate, authorize third parties to use the intellectual property.

Commissioner Ito asked if there have been any infringements.

Ms. Go responded that there have been occasional uses of the Airport logo.

\* \* \*

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

3. Modification No. 3 to Contract No. 5670A - Concourse H/AirTrain Station & North International Parking Garage - Tutor-Saliba Corporation - \$4,091,252

No. 01-0119                      Resolution approving Modification No. 3 to Contract 5670A, Concourse H/AirTrain Station & North International Parking Garage, with Tutor-Saliba Corp., in the amount of \$4,091,252, for changes related to AirTrain Operating System requirements, BART requirements, Airport requirements, design changes to facilitate construction. Funding sources are contract contingency, BART funding sources and the Airport's up to \$200 million contribution to the



## BART-SFO Extension Project.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction explained that Modification No. 3 to Contract No. 5670A, Concourse H/AirTrain Station & North International Parking Garage provides for various changes related to AirTrain Operating System requirements, BART requirements, Airport initiated revisions to accommodate operational requirements, design changes to facilitate construction, and unforeseen site conditions.

Funding sources include contract contingency (\$1.8 million), BART funding sources and the Airport's "up to \$200 million" contribution to the BART-SFO extension project (\$2.3 million).

This modification has been reviewed and approved by the Master Plan Advisory Board and the costs have been included in the cost forecasts presented to the Commission in the Master Plan quarterly reports.

The original MBE/WBE subcontracting goals for this contract were 18% MBE and 3% WBE. Tutor-Saliba was credited with the MBE/WBE participation levels of 21.1% and 1.2% respectively and demonstrated sufficient "good faith efforts" to be approved by HRC. This modification provides 32.83% MBE and 4.8% WBE participation which will result in cumulative participation levels of 21.39% MBE and 1.32% WBE. These cumulative MBE/WBE subcontracting participation levels exceed the contractor's original commitment.

One more modification is expected before close out of the contract.

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

4. Modification No. 10 to Contract No. 5500CM - Professional Services Contract SFO Associates, A Joint Venture of Parsons/AGS Inc./EPC Consultants Inc./ Business Development Inc. - \$1,600,000

No. 01-0120	Resolution approving Modification No. 10 to Contract 5500CM, Professional Services Contract with SFO Associates, A Joint Venture of Parsons/AGS Inc./EPC Consultants Inc./ Business Development Inc., in the amount of \$1,600,000, for extended closeout activities on the International Terminal. The cost of this modification is offset by transfers from administrative budgets and construction management underruns. There is no additional impact to the Master Plan budget.
-------------	--

Mr. Allen explained that Modification No. 10 to Contract No. 5500CM, Construction Management Services for the International Terminal Building, provides for additional costs incurred for standby and overtime services related



to the December 10, 2000 opening of the new International Terminal and projected extension of staff time to continue work through final close out and support ongoing activation of the terminal.

Funding sources include transfers from administrative budgets and construction management underruns and does not impact the Master Plan budget.

This modification has been reviewed and approved by the Professional Services Contract Review Committee and the costs have been included in the budget forecasts presented to the Commission in the Master Plan quarterly reports.

The City's goals for MBE/WBE subcontracting participation in this contract were 17% MBE and 3% WBE. Through this modification, SFO Associates has achieved participation levels of 37.9% MBE and 5.6% WBE, which exceeds the original goals.

Commissioner Strunsky asked if there is an end in sight for this contract.

Mr. Allen responded that a staffing analyses was done in February. We anticipate concluding these contracts around the end of June 2001. Airport staff will pick up any remaining services that need to be provided.

\* \* \*

#### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 5 was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

5. Memorandum of Agreement with the National Oceanic and Atmospheric Administration

No. 01-0121

Resolution approving the Memorandum of Understanding between the National Oceanic and Atmospheric Administration and San Francisco International Airport providing for an Independent Peer Review of Environmental Technical Studies of the Proposed SFO Runway Reconfiguration Program and Providing Funding Assistance to NOAA in the amount of \$100,000 to conduct such a Peer Review.

Mr. Tom Kardos, Deputy Director, Airfield Development Bureau explained that this item proposes the approval of a memorandum of understanding between the Airport and National Oceanic and Atmospheric Administration (NOAA) providing for the performance and funding of a peer review of the environmental technical studies associated with our Runway Reconfiguration Program.

The panel performing the review will be the second science panel participating in our program. The first was convened in October 1999 at the request of the





San Francisco Bay Conservation and Development Commission (BCDC). The panel provided a set of recommendations regarding the scope of technical studies to be performed for the program.

BCDC requested SFO to assist in reconvening a panel of scientists this fall to review and comment on the environmental technical reports addressing circulation and water quality as well as biological studies. The FAA and the Office of Environmental Review (OER), in their capacity as lead agencies for the EIR/EIS document will consider the panels comments and recommendations, but will retain final authority over the content and adequacy of the studies.

The Airport's \$100,000 funding contribution will cover honoraria to the participants, travel expenses and NOAA staff assistance.

Item No. 6 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

6. Modification No. 3 to Contract No. 5500S - SFIA Aviation Library and Museum Lem/MH Construction, A Joint Venture - \$207,498

No. 01-0122

Resolution approving Modification No. 3 to Contract 5500S, SFIA Aviation Library and Museum, with Lem/MH Construction a Joint Venture, in the amount of \$207,498, to facilitate design changes to architectural components and unanticipated conditions. Funding shall be provided by Non-Master Plan project contingency and budget transfer.

Mr. Allen explained that Modification No. 3 to Contract No. 5500S, Aviation Library and Museum provides for miscellaneous changes related to design revisions and unanticipated conditions. This is the final modification to this contract pending closeout.

Funding courses for this modification will be from non-Master Plan contingency and budget transfer. There will be no impact to the Master Plan budget.

This modification has been reviewed and approved by the Master Plan Technical Advisory Board.

The MBE/WBE subcontracting participation levels approved at the time of award were 20% and 7% respectively. Through this modification, the MBE level will be 35% and the WBE level will be 19%, far exceeding the contractor's original commitment.

Commissioner Strunsky congratulated staff on the quality of the facility.

\* \* \*



I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 and 8 and 10 through 16, was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. Item No. 9 was put over. The vote to approve was unanimous.

7. Modification of Federal Aviation Administration Lease and Agreement for the Operation of Glide Slope Equipment, Runway 28L

No. 01-0123	Resolution authorizing the Director to modify Federal Aviation Administration (FAA) Lease No. DTFA08-85-L-11305 for the addition of glide slope equipment at Runway 28L.
-------------	--

8. Termination of Hydrant Fuel System Agreement for Boarding Area D

No. 01-0124	Resolution approving the early termination of Aircraft Service International, Inc. Hydrant Fuel System Agreement for Boarding Area D.
-------------	---

9. Award of Lease for Cellular Phone Rental Service - Action Cellular - Minimum Annual Guarantee: \$100,150

No. 01-0125	Resolution awarding the Cellular Phone Rental Service Lease to Action Cellular for a minimum annual guarantee for the first year of \$100,150.
-------------	--

Mr. Andrew Greg, Solem and Associates, representing Auto Symphony suggested that this item warrants further review by staff and the Commission and requested that the item be put over to a future meeting.

Auto Symphony has over 20 years of electronic retail experience, and holds a similar lease at Dulles International Airport, and similar leases pending at Los Angeles and Houston Hobby International Airports.

Auto Symphony worked with Airport staff several years ago to create this concession. It has since become a valued service for travelers and a solid revenue source for the Airport. They employ 30 people at 4 Airport locations and a downtown retail facility outlet. The company recently invested more than \$250,000 to develop a facility in the new International Terminal.

Auto Symphony has held this concession at SFO since 1998 and has performed admirably, exceeding their minimum annual guarantee each year.

The bid documents describe this lease as a retail concession, yet SFO's response to Auto Symphony's bid protest stated that there is no requirement for its competitor to demonstrate that it engaged in retail or concession type operations. A potential bidder or holder of a retail concession at the Airport



should be required to demonstrate retail ability.

Auto Symphony's minimum annual guarantee was lower than Action Cellular's bid by \$5,150. However, the Airport's selection of a bidder with a slightly higher guarantee has not adequately considered the proven experience and ability of each bidder to successfully perform the work at hand.

Last year Auto Symphony produced \$150,000 for the Airport, or five times its guarantee.

Fairness suggests that a more thorough review of the bids be undertaken to insure that the company awarded this lease is able to meet, if not exceed, the desired return this Commission and the citizens of San Francisco deserve.

Ms. Dianne Sovereign, Sonnenschein, Knapp and Rosenthal said that a bidder must meet three requirements ... (1) they must have the highest minimum guarantee, (2) they must be responsive, and, (3) they must be responsible. The focus in awarding this lease appears to have been the minimum annual guarantee, with little attention being paid to the need to be responsive and responsible.

Commissioner Strunsky asked if Action Cellular runs a retail cell phone rental.

Ms. Sovereign responded that the information she received in her document request shows that Action Cellular does not have retail experience. They do rent cellular phones, but their operation is more through messenger services. They don't have a retail outlet or walk up counter where the public can rent a phone.

Auto Symphony has been at the Airport for 3-1/2 years, and they have an outlet on Van Ness Avenue for the public.

Action Cellular does not appear to have retail experience. Their experience appears to be renting phones for customers to take to other countries, as opposed to Auto Symphony's experience of renting phones to passengers coming into the area from other countries.

Action Cellular also failed to properly respond to Submittal 2 of the bid document which requires names, addresses and telephone numbers of every landlord. Action Cellular lists an impressive list of offices throughout the United States, Dominican Republic, France, the United Kingdom, but they only list one landlord for offices in San Francisco. Further, the landlord Action Cellular lists in San Francisco appears to be a previous landlord.

Action Cellular also lists a total of only eight employees for all of these offices around the world.

Action Cellular also failed to file certain forms with the Human Rights Commission within days of the bid opening as required in the bid form.





Action Cellular has changed addresses four or five times in the last several years. Their capitalization is \$15,000.

If you look at the requirement of responsibility and responsiveness, and not just the guarantee, it is clear that Action Cellular is not a responsible or responsive bidder.

Commissioner Ito said that she understood that retail experience was not a requirement in the bidding process. She asked Ms. Sovereign what kinds of services Auto Symphony has been able to provide at the retail level.

Ms. Sovereign first noted that Submittal Form 1 requests information on the minimum guarantee. Submittal Form 1 states that "the undersigned has completed answers to all questionnaires and hereby submits this bid as and for compensation for the privilege of and permission to operate a retail merchandise sales business." It is obvious that this is a retail business.

Commissioner Ito asked Ms. Sovereign to answer her question ... what kind of customer service has Auto Symphony provided that is important to providing adequate service?

Ms. Sovereign responded that Auto Symphony has four outlets at the Airport, with 15 employees, and a total of 30 employees in the Bay Area. They operate 10-12 hours a day at the Airport, seven days a week. They offer an experienced sales staff, and a 24-hour technical support line. Customers can also go to the Van Ness outlet if they are experiencing technical problems with their phones. Their phones are rotated every nine months to keep up with current changes in cellular phone technology. Action Cellular does not have the support staff and technical experience that Auto Symphony has.

Mr. Martin said that Auto Symphony has been a good tenant, and we have been pleased with their service.

This is a pure bid situation. The question is did the high bidder meet the terms of the bid requirements, or not.

Ms. Go explained that an illness in the family has prevented the principles of Action Cellular to attend today.

The process for award of bids is to determine the highest bidder and then to review the high bidder's bid package to determine if they are responsive and responsible.

Minimum qualifications for this concession were established by the Commission upon the recommendation of staff. These qualifications were fairly general compared to other concessions in order to open up the field to as many participants as possible. The question was what are the minimum qualifications necessary to operate a cellular phone concession on a retail level at the Airport? The bid package did not require any particular concession, retail or walk up sales business. It did require experience in a cellular phone rental





business in three of the past five years, with a minimum in gross sales of \$500,000 in each year.

Airport staff reviewed all of the bid packages and concluded that these qualification requirements were satisfied. The City Attorney's Office reviewed the package as well and agreed with the conclusion.

Ms. Go said that based on the Airport Commission's qualifications no minimum number of employees was required, nor was a walk up counter required. There was adequate evidence that Action Cellular has extensive experience in renting out cellular phones and has been doing so for many years. There is no basis to conclude that they are not qualified.

Commissioner Ito noted that most of their business was international, and asked what documentation is available regarding their service of this area.

Ms. Go responded that Action Cellular, in its bid package, certified that they do have an office in the City. One of our staff members drove by the office and verified that it does exist. References provided by the bidder specifically speak to their longstanding experience.

She did not know what percentage relates to inbound versus outbound, international versus local customers. Their bid package provided a lengthy list of customers they have served over the years. Many of them were local, however, given the nature of the bid package, they tended to list the companies for which they have provided phones. There were also a number of press clippings in their package about their services.

Commissioner Ito asked if staff checks references.

Ms. Go responded that references were provided.

Commissioner Strunsky asked if the Human Rights Commission has completed its review.

Ms. Go responded that it has not.

Commissioner Mazzola felt that the protest raises some good points. He still does not know if Action Cellular has a San Francisco presence, or just a name on a door. Further, HRC has not yet made their final determination. Since Action Cellular was unable to speak for themselves, he still does not know if they will provide services for both incoming and outgoing traffic.

He requested putting this item over to the next meeting.

Mr. Martin responded that the item can be put over. Further research will be done and reported back to the Commission prior to the next meeting.

10. Approval of Lease Specifications and Authorization to Accept Bids for North



## Terminal Candy Store Lease

No. 01-0126                      Resolution approving the lease specifications and authorizing staff to accept bids for the North Terminal Candy Store Lease.

Commissioner Ito asked how this will compare with the revenue generated on the existing leases.

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that this is a re-bid on the existing lease which includes a store and two cart locations. We anticipate a greater return in revenue.

11.     Issue a Request for Proposals to Provide Program Management Services for the Runway Reconfiguration Program

No. 01-0127                      Resolution authorizing a request for proposals to provide program management services for the Runway Reconfiguration Program.

12.     Consent to Assignment of Modification No. 1 to Professional Services Agreement No. 7000.12 for the Development of an Airfield Public Interest Committee and Permit Approval Strategies from Baker & McKenzie to Steefel, Levitt & Weiss - \$140,000

No. 01-0128                      Resolution consenting to the assignment of Modification No. 1 to Professional Services Agreement No. 7000.12 for the development of an Airfield Public Interest Committee and Permit Approval Strategies from Baker & McKenzie to Steefel, Levitt & Weiss and approval of additional funds in an amount not to exceed \$140,000.

Commissioner Strunsky asked why the change.

Mr. Kardos responded that Mr. Tosta is moving to another law firm so an assignment is required to retain his services.

13.     Modification No. 3 to Professional Services Contract with Gerchick-Murphy Associates to Provide Continued International Aviation Development Services

No. 01-0129                      Resolution authorizing Modification No. 3 to Professional Services Contract with Gerchick-Murphy Associates to increase the amount by \$100,000, for continued International Aviation Development Services; all other terms and conditions of the contract remain in full force and



effect.

14. Modification No. 4 to Professional Services Contract with Mackenzie Communications, A Certified WBE, for Continued Development and Outreach to the Bay Area Business Coalition to Promote Increased International Air Traffic

No. 01-0130

Resolution authorizing Modification No. 4 to Professional Services Contract with Mackenzie Communications, A Certified WBE, for the continued development and ongoing outreach to the Bay Area Business Coalition to increase the amount by \$35,000 during the current contract term for professional services provided in the period April 1, 2001 through June 30, 2001.

15. Approval of Rental Agreement with State of California, Department of Transportation (CalTrans) for CalTrans Parcel (04-SM-101-08) for Access and Parking

No. 01-0131

Resolution approving a Rental Agreement with the State of California Department of Transportation for Parcel (04-SM-101-08) for a one-year term with two six-month extension options at a rental rate of \$6,250 per month.

16. Approval of Reimbursement for the Christian Science Reading Room for Construction and Relocation Costs - \$130,000

No. 01-0132

Resolution approving reimbursement in an amount not-to-exceed \$130,000 for construction and relocation costs for the Christian Science Reading Room.

\* \* \*

#### J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

#### K. CORRESPONDENCE:



There was no discussion by the Commission

\* \* \*

L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Commission voted unanimously to go into closed session. The meeting was recessed at 9:45 A.M. and the closed session began.

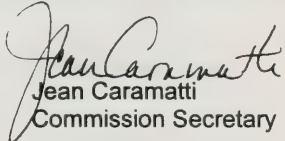
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session

The Commission reconvened its public session at 9:56 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:57 A.M.

  
Jean Caramatti  
Commission Secretary





**SAN FRANCISCO  
AIRPORT COMMISSION**



DOCUMENTS DEPT.


JUN 13 2001

SAN FRANCISCO  
PUBLIC LIBRARY

**MINUTES**

May 15, 2001

9:00 A.M.

 **ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO**

**WILLIE L. BROWN, JR., MAYOR**

**COMMISSIONERS**

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128**



Minutes of the Airport Commission Meeting of  
May 15, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		5
B.		ROLL CALL:		5
C.		ADOPTION OF MINUTES:		
		Special Meeting os April 18, 2001	01-0132	5
D.		SPECIAL ITEM:		
	1.	Retirement Resolution - Pete Bittenbender	01-0133	5-6
E.		DIRECTOR'S REPORTS:		
	2.	Master Plan Quarterly Update		6-7
F.		ITEMS INITIATED BY COMMISSIONERS:		7
G.		POLICY:		
	3.	Airport Investment Policy	01-0134	8-9
H.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	4.	Modification No. 1 to Contract 5450.1 - Professional Services Agreement - Gensler/ Michael Willis, Associated Architects	01-0135	9-10
	5.	Modification No. 10 to Contract 5520CM - Boarding Area G Construction Management - Lehrer McGovern Bovis, Inc/FE Jordan Associates, Inc./Cabellon Associates, Inc.	01-0136	11
I.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	6.	Award Lease for Cellular Phone Rental Service - Action Cellular		11-12 22-23
	7.	Addendum #4 to Hotel RFP/Q	01-0137	12
	8.	Reimburse SFOTEC for Pre-Opening Expenses in the New International Terminal	01-0138	12
	9.	Modification No. 3 to Contract 4240 - Phase II Environmental Impact Studies for the Runway		



	Reconfiguration Program - URS Corporation	01-0139	12-13
10.	Modification No. 1 to Contract 3601A - Roadway Lighting Improvement, Phase A - Bass Electric	01-0140	13

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

11.	Modification No. 6 to Professional Services Agreement with Leigh Fisher for Roadway Design Study	01-0141	13
12.	Modification No. 2 to Contract 5500.6 - North Connector Building Utility Tunnel, Elevated Roadways - Signet Testing Laboratories	01-0142	13-14
13.	Modification No. 3 to Contract 5600.4 - Material Testing & Special Inspection - Kleinfelder, Inc.	01-0143	14
14.	Airport Community Roundtable 20 <sup>th</sup> Anniversary	01-0144	14
15.	Award Contract 4267 - Professional Engineering Services Geotechnical Consultant - AGS, Inc./ Geotechnical Consultants, Inc., A J. V.	01-0145	14
16.	Award Professional Legal Services Agreement to for Aviation Law Pertaining to the Airfield Reconfiguration Project - Morrison & Foerster	01-0146	14-15
17.	Modification No. 4 to Legal Services Agreement - Remy, Thomas & Moose	01-0147	15
18.	Modification No. 1 to Legal Services Agreement - Foley & Lardner	01-0148	15
19.	Modification No. 3 to Legal Services Agreement - O'Melveny & Myers	01-0149	15
20.	Award Professional Legal Services Agreement - Palmer & Dodge as Outside Counsel for Revenue Retention and Use Matters	01-0150	15-16
21.	Award Professional Services Agreement in Connection with Litigation Initiated by Aeroground, Inc. - Leonard, Carder, Nathan, Zuckerman, Ross, Chin & Remar	01-0151	16
22.	Modification No. 4 of Professional Services Contract - Federal Legislative Advocacy Services - Smith, Dawson and Andrews	01-0152	16



23.	Modification No. 3 to Professional Services Contract - Harris Miller Miller & Hanson, Inc.	01-0153	16
24.	Modification No. 12 of Professional Services Contract - State Legislative Services - Kenyon And Edelstein	01-0154	16-17
25.	Modification No. 4 to Professional Services Agreement Relating to FAA Traffic Control Procedures within Noise Abatement Program - Robert H. Voss	01-0155	17
26.	Modification No. 4 to Professional Services Agreement to Provide Expertise Relating to Airline Operations within Noise Abatement Program - Edward J. Daley	01-0156	17
27.	Modification No. 1 to Contract No. 4313 - As-Needed Environmental Signage Graphic Design Services - Illium Associates, Inc.	01-0157	17-18
28.	Authorization to Negotiate Contract with Polaris/ TRG to Staff and Manage the Information Booth Program	01-0158	18
29.	Approve Option for Agreement with Pacific States Airline Services, Inc (PSAS) to Provide Baggage Handling Services	01-0159	18-19
30.	Authorize Third of Four One Year Options with DuDell & Assoc. to Provide a Media Campaign to Promote Shared Ride Options to SFO	01-0160	19
31.	Authorize First of Four One Year Options to Professional Services Contract with Wiltec to Conduct Vehicle Ridership Surveys at SFO	01-0161	19
32.	Authorization to Accept Bids for Disadvantaged Business Enterprise Set-Aside for North Terminal Concourse Apparel Boutique Lease	01-0162	19
33.	Bid Call - Contract 3479 - Taxiways A and B Realignment, Taxiway F Extension	01-0163	19
34.	Bid Call - Contract 4286 - Rental Car Center Improvements, Phase 2	01-0164	19
35.	Bid Call - Contract 3842 - North Terminal Boarding Areas E and F Carpet Replacement	01-0165	20





36.	Reject All Bids - Contract 4486 - On-Call Environmental Remediation, Phase IV	01-0166	20
37.	Approve Lease Specifications and Authorize Acceptance of Bids for Garage Taxi Staging Area Mobile Catering Truck Lease & and B	01-0167	20
38.	Pre-Bid Conference for North Terminal Concourse Ties, Scarves and Accessories Store Lease and Reject Bids for North Terminal Concourse Packaged Gourmet Tea	01-0168	28
39.	Reimburse REST Investments, dba REST Parking Facility, for Expenses Related to Accommodating a Portion of the San Francisco Bay Trail	01-0169	21
40.	Reimburse SFOTEC for Providing Audio-Visual and Interpreting Services for the ACI-Pacific Conference	01-0170	21
41.	Approve New License with FAA for Installation And Maintenance of Fiber Option Cables	01-0171	21
42.	Consent to Assignment for Cellular One to AT&T Wireless Services - Wireless Communications Equipment		21
43.	Consent to Assignment from Pacific Bell Wireless to Cingular Wireless - Wireless Communications Equipment	01-0172	21
44.	Amendment to United Airlines Plot 6 Lease	01-0173	21-22
45.	Authorize Participation in 2001 Air Passenger Ground Access Survey Conducted by the Metropolitan Transportation Commission	01-0174	22
K.	NEW BUSINESS:		23-24
L.	CORRESPONDENCE:		24
M.	CLOSED SESSION:		
	Pending Litigation: Aeroground vs CCSF Potential Litigation		24
N.	ADJOURNMENT:		24-25



# AIRPORT COMMISSION MEETING MINUTES

May 15, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the special meeting of April 18, 2001 were adopted unanimously.

No. 01-0132

\* \* \*

## D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

### 1. Retirement Resolution for Mr. Pete Bittenbender

No. 01-0133

Mr. John Martin, Airport Director explained that Mr. Bittenbender has been with the City for 26 years, 22 of which have been spent at the Airport. He was one of the original employees of the Bureau of Design and Construction when it was formed in 1979.

Mr. Bittenbender served as the lead Project Manager on the new International Terminal as well as the lead Project Managers for the old International Terminal and Boarding Area D and the South Terminal.

Mr. Bittenbender has been one of the critical players in the successful completion of major projects at the Airport over the last 22 years. Few people in the industry have his track record as a Project Manager.



Pete will be missed, but we wish him well in his retirement.

Mr. Bittenbender thanked the Commission for its support over the years and especially through the Master Plan program. It has been an amazing project and very rewarding.

\* \* \*

## E. DIRECTOR'S REPORTS:

### 2. Master Plan Quarterly Update

Report on the status of the Master Plan Projects as of March 15, 2001, in accordance with the Baseline Budget and Schedule.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction said that through the first quarter of 2001 the Airport awarded \$2.799 billion, or 94% of the program budget, excluding contingency and program reserve. In terms of construction only, a total of \$2.242 billion, or 94% of the budget has been awarded through the reporting period.

Invoices approved since the last report totaled \$100 million, bringing the total invoiced amount to \$2.644 billion or 89% of the total current budget excluding program reserve.

During this quarter 580 PCOs were resolved and 1,138 PCOs are remaining to be closed. Construction closeout continues and the majority of the contracts are forecast to be closed this summer. Closeout process is progressing somewhat slower than the March/April forecast. This is due to the large number of issues to be resolved with the contractors and final closeout negotiations. The Commission will be updated with a monthly status of contract closeout progress.

Current forecast of Master Plan expenditures, excluding program reserves, through program completion is \$2.502 billion; no increase relative to the previous report. The current program reserve budget is \$1.5 million.

The International Terminal Building is complete with Fire Marshal punchlist work continuing into the fourth quarter of 2001. Both Boarding Areas A and G baggage handling system are complete with closeout work proceeding.

Elevated circulation roadways and inbound/outbound ramps continue work on various Caltrans and closeout issues, but are very close to completion.

The AirTrain Operating System contract continues in its construction phase with substantial completion forecast for May 2002. Eight vehicles and one maintenance recovery vehicle arrived from Pittsburgh on March 6-7, 2001. More cars are expected later this month.



Tenant Improvements: All but four airline tenants have built out their club rooms. The Northwest/KLM VIP clubroom is forecasted for completion in July. The Philippine Air, Eva Air and China Airlines VIP clubrooms are forecasted for completion in May.

The BART interface in Concourse H (third level walkway) temporary certificate of occupancy was issued December 1, 2000.

Nonessential systems, including maintenance and monitoring systems, supervisory control and Data acquisition (SCADA) and radio system are forecast for completion in the second quarter of 2001.

In the area of job safety, our actual rate of 8.54 for recordable incidents is below the Federal rate of 9.50. Our lost time incident rate of 3.65 is lower than the national average of 4.40. The M/WBE participation is 23.0%/5.5% respectively on the program level. A breakdown by major sub-areas is presented in the report.

The International Terminal Complex will have 21 gates available by July 2001.

Commissioner Strunsky said that the single clearest evidence of the success of the program is that it was forecasted at \$2.498 billion. The forecasted cost at completion shows an overrun of \$4 million. The non-Master Plan portion shows similar results.

No other public works project in the United States of similar scope has achieved this kind of success.

Commissioner Ito agreed with Commissioner Strunsky. She asked if the tenant improvement completion projections were going to be met.

Mr. Allen responded that recent information indicates that they will be met.

Commissioner Ito noted that there were some AirTrain system shipment delays and asked if those were unusual circumstances.

Mr. Allen responded that the cars are being shipped on schedule, it's the infrastructure related to the control systems that seems to be lagging. Scheduling meetings will be held this month to try to clarify the situation with Adtranz, the developer of the software package to operate the system.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

#### G. POLICY:





Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

3. Airport Investment Policy

No. 01-034

Resolution approving a new airport investment policy.

Ms. Sheri Ernico, Associate Deputy Director, Finance explained that this investment policy pertains only to the bond funds that are held and invested by our bond trustee, the Bank of New York. All of our funds and accounts are held under the City Charter, and the bond resolution by the City Treasurer and invested by the City Treasurer. This pertains to the roughly \$200 million that we have in bond reserve funds and, on average, about \$60 million that we have on the debt service funds.

The current investment policy was adopted in 1995 in the aftermath of the Orange County investment debacle. At that time, SFO adopted an investment policy that strongly emphasized safety and control over investment yield. As a result we have a fairly conservative investment policy in place.

Under this current policy the bond trustee invests primarily in short term U.S. treasuries. Our investment in higher yielding federal obligations, i.e. Fanny Mays and Ginny Mays, are limited to only 20% of our portfolio. This severely reduces our interest earnings potential.

Short term U.S. treasuries currently yield about 3.8%, whereas our borrowing costs are about 5.6%. On average we are losing almost 2 percentage points in what we have to pay to our borrowers versus what we can earn on those reserve funds.

Over the years we have realized a loss in potential interest earnings. If we invest at 6% and we pay out 5.5%, we realize positive arbitrage, however, under Federal guidelines we have to rebate half a percentage of that back to the Federal government because we earn more than what we actually pay to bond holders.

Over the years we have accumulated a negative arbitrage of nearly \$14 million in the reserve funds alone. There are new products on the market that work much the same way as guaranteed investment credits, however, they don't have the down side risks of counter party risk ... if the provider goes bankrupt your investment earnings can get held up in bankruptcy court. This new product, called Forward Purchase Agreement, will allow long term investment yields under short term rolling securities without the counter party risk. A number of airports have begun using these investments. We believe that we can shorten the negative arbitrage gap by about \$1.5 million to \$3.5 million per year. That additional money would be available to be applied to airline rates and charges.

This has been fully investigated with our bond counsel and our financial advisers who believe it is a safe and prudent investment at this time. At the



next Commission meeting we will return with the form of one of these agreements for the Commission to consider.

Commissioner Strunsky asked who polices this policy.

Ms. Ernico responded that it would be delegated to the Business and Finance staff to review with the bond trustee. Once a year we must go through the arbitrage rebate calculation. This monitors where we are performing relative to where we could be.

Mr. Martin added that our bond counsel, as part of our due diligence review on bond issues, also reviews Commission policies and whether Airport actions are consistent with Commission policies. Further, at the end of the year our auditors will review as well.

Ms. Ernico added that some of the negative arbitrage can be made up by investing in a higher rate since the arbitrage is based on the life of the bonds.

\* \* \*

#### H. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

4. Modification No. 1 to Contract No. 5450.1 - Professional Service Agreement Gensler / Michael Willis, Associated Architects - \$1,048,547

No. 01-0135	Resolution approving Modification No. 1 to Contract 5450.1, Professional Service Agreement with Gensler / Michael Willis, Associated Architects, in the amount of \$1,048,547 for additional services related to replacement of the baggage system, passenger loading bridges, and 400Hz ground power for the aircraft. Funds for this modification will be transferred from the approved CIP funding allocated for this purpose.
-------------	---

Mr. Allen explained that Modification No. 1 to Contract No. 5450.1, Architectural and Engineering Services for Remodeling Terminal 2 and Boarding Area D provides for additional services to include fourteen new passenger loading bridges, renovation of the 400Hz ground-power system, and new inbound and outbound baggage systems in the design program.

In accordance with the Commission's desire to have Terminal 2 facilities equal in quality to those of the new International Terminal Complex and because of the exemplary technical knowledge and professional services provided by the International Terminal design firms involved with these systems, we propose to retain the services of these same specialty design firms. The firms are BNP Associates, Inc. for baggage systems and Aviation Systems, Inc for 400 Hz



ground power systems and passenger loading bridges.

We further recommend that, for coordination purposes with Terminal 2 design, development and schedule, these two firms be incorporated into the Gensler/Willis' contract as subconsultants.

Because of the long lead time involved with delivery of baggage systems and passenger loading bridge systems, we plan to bid these elements as separate contracts.

The fee breakdown for these services is \$780,350 for baggage system (4.2% of estimated construction cost) and \$268,197 for passenger loading bridges and 400 Hz ground power system (3% of estimated construction cost).

Funding sources for these design services will be from Capital Improvement Funds. There will be no impact on Master Plan funds.

The Human Rights Commission's minimum M/WBE subconsultant participation requirements for architecture and engineering contracts of this scope are 29% MBE and 5% WBE. Gensler/Willis' original subconsultant participation levels as approved by HRC were 40% MBE and 7% WBE. As BNP and Aviation Systems are not MBE or WBE firms, the cumulative M/WBE participation levels would be 29.3% MBE and 5.14% WBE, which are almost equal to HRC's original minimum requirements.

Staff proposed to HRC that the additional scope for baggage and loading bridges be included in the Gensler/Willis contract as an allowance. This would not be tracked as part of the original base architectural services so that performance of the original 40% MBE and 7% WBE participation levels can be maintained.

Commissioner Mazzola noted that if these are fabricated out of state, how will we apply MBE/WBE requirements?

Mr. Allen responded that the construction contract will have MBE/WBE goals.

Commissioner Mazzola asked if prevailing wage will be covered.

Mr. Allen responded that on-site workers will be covered by the prevailing wage requirement.

Commissioner Mazzola asked why this is being manufactured out of state.

Mr. Allen responded that there are two manufacturers of this equipment, and neither one is located in California.

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.





5. Modification No. 10 to Contract 5520CM - Boarding Area G Construction Management - Lehrer McGovern Bovis, Inc./F.E. Jordan Associates, Inc./Cabellon Associates, Inc. - \$440,643

No. 01-0136 Resolution approving Modification No. 10 of Professional Services Agreement to Contract 5520CM, Boarding Area G Construction Management with Lehrer McGovern Bovis, Inc./F.E. Jordan Associates, Inc./Cabellon Assoc., Inc., in the amount of \$440,643. This modification is for construction management services for the 5<sup>th</sup> Floor North Shoulder Building Administrative Offices, the Reflection Center, and miscellaneous construction approved by the Capital Projects Review Committee. The funding source is Capital Improvement Project funds with no impact to the Master Plan Baseline Budget.

Mr. Allen explained that Modification No. 10 to Contract 5520CM, Construction Management Services for Boarding Area G provides for additional services required to administer the construction of the Airport administrative offices on the fifth floor of the North Shoulder Building, the Reflection Center and other small projects approved by the Airport's Capital Projects Review Committee.

Funding source for this modification will be Capital Improvement Project funds, with no impact to the Master Plan budget.

The City's original goals for MBE/WBE subcontracting participation in this contract were 17% MBE and 3% WBE. Because the scope of construction management services was reduced in Modification Nos. 7 through 10 by eliminating scheduling, EEO compliance, and estimating services provided by MBE/WBE subconsultants, HRC has approved revised goals of 14.8% MBE and 2.2% WBE. Through this modification, Lehrer, McGovern, Bovis, Inc./F.E. Jordan Associates, Inc./Cabellon Associates, Inc. has achieved participation levels of 15.2% MBE and 3.4% WBE, which exceed the revised goals.

Mr. Allen added that this is the final modification for this contract.

\* \* \*

I. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Commissioner Strunsky was recused by unanimous vote from participating in the discussion of Item No. 6. Item No. 6 was put over.  
Item No. 6 was put over to the end of the calendar.

6. Award of Lease for Cellular Phone Rental Service - Action Cellular - Minimum Annual Guarantee: \$100,150

Resolution awarding the Cellular Phone Rental





Service Lease to Action Cellular for a minimum annual guarantee for the first year of \$100,150.

Item No. 7 was moved by Commissioner Mazzola and seconded by Commissioner Crayton. The vote to approve was unanimous.

7. Addendum #4 to Hotel RFQ/P

No. 01-0137 Resolution approving Addendum #4 to the Hotel RFQ/P, which modifies certain business terms, and re-opens the qualification phase of the RFQ/P process.

Item No. 8 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

8. Reimbursement to SFOTEC for Pre-Opening Expenses in the New International Terminal

No. 01-0138 Resolution approving reimbursement to SFOTEC in an amount not to exceed \$1,550,000, for the cost of providing certain services and equipment for New International Terminal live-testing operations prior to the December 10, 2000 opening date.

Item No. 9 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

9. Modification No. 3 to Contract No. 4240 - Phase II Environmental Impact Studies for the Runway Reconfiguration Program - URS Corporation - \$500,000

No. 01-0139 Resolution approving Modification No. 3 to Contract 4240 with URS Corporation for Phase II Environmental Impact Studies for the Runway Reconfiguration Program in an amount not to exceed \$500,000.

Mr. Tom Kardos, Deputy Director, Airfield Development Bureau said that in June 1999 and December 1999 the Commission approved Phases I and II of a contract with URS Corporation covering performance of environmental impact studies for the Runway Reconfiguration Program. URS is proceeding with the detailed technical analyses (hydrology, hydraulics, water quality, biology) and the preliminary assessment of potential mitigation sites leading to the preparation of the draft EIR/EIS to be issued for public comment in early 2002.

In order to accommodate this program schedule, the FAA requested additional



staff assistance by URS to include some administrative assistance and technical review support. The additional URS personnel will report directly to the FAA.

The services will be reimbursed on a cost-plus-fee basis to an amount not-to-exceed \$500,000.

The 12% MBE and 8% WBE participation goals remain unchanged for the modified contract.

Item No. 10 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

10. Modification No. 1 to Contract No. 3601A - Roadway Lighting Improvements, Phase A - Bass Electric Co., Inc.

No. 01-0140	Resolution approving Modification No. 1 to Contract 3601A, Roadway Lighting Improvements, Phase A, with Bass Electric Co., Inc. to change the scope of work.
-------------	--

\* \* \*

J. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 11 through 41 and 43 through 45 were moved by Commission Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous. Item No. 42 was removed from the calendar.

11. Modification No. 6 to Professional Services Agreement with Leigh Fisher for the Roadway Design Study

No. 01-0141	Resolution approving Modification No. 6 to the Professional Services Agreement with Leigh Fisher for the Roadway Design Study to provide additional compensation in the amount of \$97,350 and extend the term to June 30, 2002.
-------------	--

12. Modification No. 2 to Contract No. 5500.6 - North Connector Building Utility Tunnel, Elevated Roadways - Signet Testing Laboratories - \$87,976

No. 01-0142	Resolution approving Modification No. 2 of Professional Services Agreement to Contract 5500.6, North Connector Building Utility Tunnel, Elevated Roadways with Signet Testing Laboratories, in the amount of \$87,976. This modification covers additional material testing and inspection of concrete and paving work and
-------------	--



closes out the contract. The funding source will be a transfer from Contract No. 5601H.

13. Modification No. 3 to Contract 5600.4 - Material Testing & Special Inspection - Kleinfelder Inc. - \$8,960

No. 01-0143 Resolution approving Modification No. 3 to Contract 5600.4 with Kleinfelder, Inc., for additional testing and inspection services for the South and North International Parking Garages and the Vehicle Bridge and to closeout the contract - \$8,960.

14. Airport Community Roundtable 20<sup>th</sup> Anniversary

No. 01-0144 Resolution commending the Airport Community Roundtable on their 20<sup>th</sup> anniversary.

15. Award Contract 4267 - Professional Engineering Services Geotechnical Consultant - AGS, Inc./Geotechnical Consultants, Inc., A Joint Venture - \$300,000

No. 01-0145 Resolution awarding Contract 4267, Professional Engineering Services - Geotechnical Consultant, to the lowest responsive, responsible bidder, AGS, Inc./Geotechnical Consultants, Inc., a Joint Venture, in the amount of \$300,000.

16. Award Professional Legal Services Agreement to Provide Professional Legal Services in Aviation Law Pertaining to the Airfield Reconfiguration Project - Morrison & Foerster LLP - \$500,000

No. 01-0146 Resolution approving a Professional Legal Services Agreement (Aviation contract) with Morrison & Foerster LLP to provide legal services pertaining to aviation law on the Airfield Reconfiguration Project, and fund the contract by the amount of \$500,000.

Commissioner Crayton, commenting on Item Nos. 16, 17, 18 and 19, noted that these are the same law firms over and over again and expressed her concern that minority firms are not being included.

Ms. Rosales responded that these firms competed in a request for proposal process which included minority and women-owned law firms. M/WBE firms were selected, however, they have not yet been before the Commission for



additional funding.

Each contract includes a requirement to use minority and women law firms as part of the team. Various firms have performed services under Morrison and Foerster. We have not yet had that opportunity with Remy, Thomas or Foley & Lardner.

Commissioner Crayton said that she has been approached by minority firms, particularly Asian firms, regarding business at the Airport.

Ms. Rosales said that she will provide a report to the Commission on the M/WBE breakdown. She believed that 30% of our outside law firms are minority.

17. Modification No. 4 to Legal Services Agreement - Remy, Thomas & Moose - \$300,000

No. 01-0147                      Resolution approving Modification No. 4 to Professional Legal Services Agreement with Remy, Thomas & Moose to increase compensation by the amount of \$300,000; all other terms and conditions of the contract to remain in full force and effect.

18. Modification No. 1 to Legal Services Agreement - Foley & Lardner - \$100,000

No. 01-0148                      Resolution approving Modification No. 1 to Legal Services Agreement with Foley & Lardner (formerly known as Hopkins & Sutter) to increase compensation by the amount of \$100,000.

19. Modification No. 3 to Legal Services Agreement - O'Melveny & Myers LLP - \$50,000

No. 01-0149                      Resolution approving Modification No. 3 to Legal Service Agreement with the law firm of O'Melveny & Myers LLP to broaden scope of services to include environmental advice on the Airfield Reconfiguration Program relating to the National Oceanic and Atmospheric Administration (NOAA) panel's peer review of environmental studies; and increase compensation in the amount of \$50,000.

20. Award Professional Legal Services Agreement with Palmer & Dodge LLP as Outside Counsel for Revenue Retention and Use Matters - \$50,000





No. 01-0150

Resolution approving agreement with the law firm of Palmer & Dodge as outside counsel to provide professional legal services pertaining to revenue retention and use issues concerning financial matters, including City department work orders with the Airport, at an initial contract amount of \$50,000.

21. Approval Professional Legal Services in Connection with Litigation Initiated by Aeroground, Inc. - Leonard, Carder, Nathan, Zuckerman, Ross, Chin & Remar, LLP - \$50,000

No. 01-0151

Resolution approving agreement with the law firm of Leonard, Carder, Nathan, Zuckerman, Ross, Chin & Remar, LLP to provide professional legal services in connection with the litigation initiated by Aeroground, Inc., in the matter of Aeroground, Inc. vs. City and County of San Francisco, San Francisco Airport Commission, and John L. Martin (U.S. District Court No. C 01 1628VRW) at an initial contract amount of \$50,000.

22. Modification No. 4 of the Professional Services Contract - Federal Legislative Advocacy Services - Smith, Dawson and Andrews - \$150,000

No. 01-0152

Resolution approving Modification No. 4 of the Professional Services Contract with Smith, Dawson and Andrews for Legislative Advocacy Services in Washington, DC for FY 2001-2002, in the amount of \$150,000.

23. Modification No. 3 to the Professional Services Contract - Harris Miller Miller & Hanson, Inc. - \$124,500

No. 01-0153

Resolution authorizing Modification No. 3 to the Professional Services Contract with Harris Miller Miller & Hanson, Inc., increasing the contract amount by \$124,500, for a new total contract amount of \$774,500.

24. Modification No. 12 of the Professional Services Contract - State Legislative Services - Kenyon and Edelstein - \$75,000

No. 01-0154

Resolution approving Modification No. 12 of the Professional Services Contract with Kenyon and Edelstein for State Legislative Advocacy Services



for FY 2001-2002 in the amount of \$75,000.

25. Modification No. 4 to Professional Services Agreement Relating to FAA Traffic Control Procedures within the Noise Abatement Program - Robert H. Voss - \$60,000

No. 01-0155                      Resolution authorizing Modification No. 4 to the Professional Services Agreement with Robert H. Voss relating to FAA Traffic Control Procedures within the Noise Abatement Program, extend the contract term to June 30, 2002, and increase the contract amount by \$60,000, for a new total contract amount of \$200,000.

26. Modification No. 4 to Professional Services Agreement to Provide Expertise Relating Airline Operations within the Noise Abatement Program - Edward J. Daley - \$60,000

No. 01-0156                      Resolution authorizing Modification No. 4 to the Professional Services Agreement with Edward J. Daley to provide expertise in the Noise Abatement Program, extend the expiration date of the contract to June 30, 2002, and increase the contract amount by \$60,000, for a new total contract amount of \$200,000.

27. Modification No. 1 to Contract No. 4313 - As-Needed Environmental Signage/Graphic Design Services - Illium Associates, Inc. - \$100,000

No. 01-0157                      Resolution approving Modification No. 1 to Contract 4313 for As-Needed Environmental Signage/Graphic Design Services with Illium Associates, Inc., for the AirTrain Wayfinding System and the development of an Airport Sign Standards Manual.

Commissioner Ito expressed concerns regarding the inadequacy of signage for foreign speaking passengers as was demonstrated in the most recent passenger survey.

Mr. Tryg McCoy, Operations, explained that a number of changes have been made since that survey. Signage is an art rather than a science. The terminal was originally designed for passengers to take AirTrain to the domestic terminals, and we did not anticipate the problems that passengers would encounter in walking to the domestic terminals from the International Terminal.

This consultant did not provide the original signage package.



Changes will continue to be made as we learn how passengers use the building. Airport staff and the consultant are responsible for oversight.

28. Authorization to Negotiate a Contract with Polaris/TRG to Staff and Manage the Information Booth Program

No. 01-0158

Resolution authorizing the Director to negotiate a contract with Polaris/TRG, A Joint Venture, to staff and manage the information booth program for one year, with up to four one-year options.

Commissioner Ito said that Polaris has held this contract for a long time. She noted some concerns based on the passenger survey response. Foreign passengers using the new International Terminal have the least amount of satisfaction according to overall survey results. Information provided to her by Polaris indicates that Japanese was excluded from the survey, and they represent a significant number of foreign passengers. She reemphasized that we could do a better job for monolingual foreign passengers to increase their satisfaction in using the Airport.

Mr. Martin said that he directed Polaris to insure that they have Japanese speaking staff for the bank of Japanese arrivals, and Chinese speaking staff for Chinese arrivals.

Ms. Alice Sgourakis, Landside Operations added that we are trying to match the flight arrivals with staffing availability. We have also implemented a roving agent procedure so that two to three staffers are roving the arrivals level during peak demand times. This should expand the availability of information.

Commissioner Ito expressed her concerns about staffing the booths.

Ms. Sgourakis responded that we are trying to balance budget constraints with providing customer service. Booths will be closed during non-peak hours, however, we will be installing computerized kiosks at the booths in the International Terminal as well as a phone connection to the Communications Office between midnight and 8:00 A.M. We are also investigating a direct phone connection to the Polaris office in the Airport during non-peak hours.

Mr. Martin added that we are also working to insure that employees act as customer service agents by requiring them to wear their badges.

Commissioner Crayton asked if we utilize the services of a language line.

Ms. Sgourakis responded that we do.

29. Approval of Option for Agreement with Pacific States Airline Services, Inc. (PSAS) to Provide Baggage Handling Services



- No. 01-0159                      Resolution approving the third of four options to agreement with Pacific States Airline Services, Inc. (PSAS) commencing June 1, 2001 through May 31, 2002 with a budget not to exceed \$400,000.
30.     Authorize the Third of Four One-Year Options with DuDell and Associates to Provide a Media Campaign to Promote Shared Ride Options to SFO
- No. 01-0160                      Resolution to exercise the first of four one-year options with Dudell and Associates to provide a media campaign promoting shared-ride ground transportation to SFO for the period of June 28, 2001 through June 27, 2002 with budget not to exceed \$375,000.
31.     Authorization for the First of Four One-Year Options to Professional Services Contract with Wiltec to Conduct Vehicle Ridership Surveys at SFO - \$30,000
- No. 01-0161                      Resolution exercising the first of four one-year options with Wiltec to conduct Vehicle Ridership surveys of ground transportation operators at San Francisco International Airport for an amount not to exceed \$30,000.
32.     Authorization to Accept Bids for A Disadvantaged Business Enterprise Set-Aside for North Terminal Concourse Apparel Boutique Lease
- No. 01-0162                      Resolution authorizing to accept bids for North Terminal Concourse Apparel Boutique Lease, a Disadvantaged Business Enterprise Set-Aside.
33.     Bid Call - Contract 3479 - Taxiways A & B Realignment, Taxiway F Extension
- No. 01-0163                      Resolution approving the scope, budget, and schedule for Contract 3479, Taxiways A & B Realignment, Taxiway F Extension, and authorizing Director to call for bids when ready.
34.     Bid Call - Contract 4286 - Rental Car Center Improvements, Phase 2
- No. 01-0164                      Resolution approving the scope, budget, and schedule for Contract 4286, Rental Car Center Improvements, Phase 2, and to authorize the Director to call for bids when ready.





35. Bid Call - Contract 3842 - North Terminal Boarding Areas E and F Carpet Replacement
- No. 01-0165 Resolution approving the scope, budget, and schedule for Contract 3842, North Terminal Boarding Areas E and F Carpet Replacement, and authorizing the Director to call for bids when ready.
36. Reject All Bids - Contract 4486 - On-Call Environmental Remediation, Phase IV
- No. 01-0166 Resolution rejecting all bids for Contract 4486, On-Call Environmental Remediation Phase IV, Removal and Disposal of Contaminated Soil, Sludge, Water, and other Environmental work at San Francisco Airport, and to authorize the Director to re-bid this contract when ready.
37. Approval of Lease Specifications and Authorization to Accept Bids for the Garage Taxi Staging Area Mobile Catering Truck Leases A and B
- No. 01-0167 Resolution approving the lease specifications and authorizing staff to accept bids for the Garage Taxi Staging Area Mobile Catering Truck Lease A and B, which are disadvantaged business enterprise set-asides.
- Mr. Barry Taranto, cab driver, said that he understood that the catering truck menu will now include salads. He hoped that someone will monitor the menus to insure that options for a healthy diet continue to be offered.
- Mr. Taranto also asked that the pricing be monitored and that smoking around the trucks be prohibited. He also asked that comment cards be provided at the trucks, and/or a phone number displayed so that patrons can call with concerns, suggestions or compliments.
38. Authorization to Conduct Pre-Bid Conference for the North Terminal Concourse Ties, Scarves and Accessories Store Lease and Rejection of Bids for the North Terminal Concourse Packaged Gourmet Tea
- No. 01-0168 Resolution authorizing staff to conduct a pre-bid conference for the North Terminal Concourse Ties, Scarves and Accessories Store Lease and rejecting the proposal submittals for the North Terminal Concourse Packaged Gourmet Tea Lease.



39. Reimbursement to REST Investments, dba REST Parking Facility, for Expenses Related to Accommodating a Portion of the San Francisco Bay Trail
- No. 01-0169 Resolution approving reimbursement to REST Investments, dba REST Parking Facility, in an amount not to exceed \$45,000 for tenants costs in accommodating the North Access Road Spur Trail Link of the San Francisco Bay Trail through its premises.
40. Reimbursement to SFOTEC to Provide Audio-Visual and Interpreting Services for ACI-Pacific Conference
- No. 01-0170 Resolution approving a credit to SFOTEC for \$49,499.29 to provide Audio-Visual and Interpreting Services for the ACI-Pacific Conference hosted by the Airport in San Francisco on April 23-25, 2001.
41. Approval of New License with Federal Aviation Administration for Installation and Maintenance of Fiber Optic Cables
- No. 01-0171 Resolution authorizing Director to execute a new license with FAA for installation and maintenance of fiber optic cables in Duct Bank System.
- Item No. 42 was put over.
42. Consent to the Assignment for Cellular One to AT&T Wireless Services - Wireless Communications Equipment
- Resolution consenting to the assignment of a space lease for wireless communications equipment from Cellular One to AT&T Wireless.
43. Consent to the Assignment from Pacific Bell Wireless to Cingular Wireless - Wireless Communications Equipment Space Lease
- No. 01-0172 Resolution consenting to the assignment of a space lease for wireless communications equipment from Pacific Bell Wireless to Cingular Wireless.
44. Amendment to Lease of Plot 6 to United Airlines, Inc.



No. 01-0173

Resolution approving the amendment to the Lease of 16.04 acres of land known as Plot 6, together with existing city owned buildings and structures to United Airlines for initial rent of \$1,584,655.76 with an amendment approving a CPI increase in the second year for rent of \$1,644,397.28.

Commissioner Strunsky noted that the CPI increase appeared to be only for the year June 30, 2000 to May 31, 2001 and asked if the CPI was included for the period from May 31, 2001.

Mr. Martin responded that the lease provides for a continuing annual CPI adjustment.

45. Authorization to Participate in 2001 Air Passenger Ground Access Survey Conducted by the Metropolitan Transportation Commission

No. 01-0174

Resolution authorizing Airport participation of up to \$125,000 in the 2001 Air Passenger Ground Access Survey at Bay Area airports, to be managed by the Metropolitan Transportation Commission.

Commissioner Strunsky noted that this works out to be \$14.00 per questionnaire and felt that was a little high.

Ms. Sgourakis responded that it is "up to \$125,000." The actual cost for the questionnaires is \$116,000, which includes administering the surveys over a period of five to six months so that we can establish a trend through the peak travel period. Surveys will be conducted in multiple languages.

\* \* \*

Item No. 6 was put over to the next meeting.

6. Award of Lease for Cellular Phone Rental Service - Action Cellular - Minimum Annual Guarantee: \$100,150

Resolution awarding the Cellular Phone Rental Service Lease to Action Cellular for a minimum annual guarantee for the first year of \$100,150.

Mr. Martin announced that this item would be put over, however, he asked the attorneys representing Action Cellular and AutoSymphony to address the Commission, if they wished.

Ms. Diane Sovereign, attorney representing AutoSymphony, said that unless the Commission has specific questions she would prefer to wait until the issue



comes up in June.

Ms. Sovereign noted that the current lease expires on May 16 and asked if the current tenant would remain in place until action has been taken?

Ms. Go, Deputy City Attorney, responded that the lease provides a holdover clause, however, it is usually done by Commission action.

Ms. Mara Rosales, Airport General Counsel, said that both attorneys have submitted extensive submittals to the Commission. AutoSymphony had the opportunity to address the Commission at the last meeting. She asked if there is anything Mr. Reuben would like to highlight.

Mr. James Reuben, attorney for Action Cellular said that one issue was raised by Commissioner Mazzola regarding retail experience. Retail experience was not a prerequisite in the RFP, however, Action Cellular is a retail operator. He said that he was puzzled, as he went through the material, that it was thought that they are not a retail operator. Action Cellular has operated for 12 years and they are the largest single operator on the West Coast. They issue their phones by customers either calling and delivering, or, going in and delivering. In each and every case they speak directly to the customer. That is retail sales. He prefers to wait to address the Commission regarding inbound/outbound.

Mr. Martin asked that others who wished to address the Commission on this item hold their comments to the June 5 meeting.

Mr. Martin said that the current lease will be held until the new lease commences, but not to exceed September 1.

\* \* \*

#### K. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Jay Bradshaw, Director of Organizing for Local 3, Operating Engineers said that Brisbane Recycling in the past has provided crushed rock and other materials to contractors at the Airport. Ten months ago the workers organized with Local 3. Since that time all of the workers at the Airport have been terminated. The National Labor Relations Board has issued a complaint for not only the threats and the terminations, but also for failing to recognize Local 3 and failing to negotiate. These workers, mostly Latino, have been threatened for organizing a union.

The San Francisco Board of Supervisors passed a resolution discouraging them from that kind of behavior and said they would reconsider any current contract Brisbane Recycling had with the City.





He hoped the Commission would adopt a resolution letting Brisbane Recycling know that if they violate workers rights they will not be allowed to profit with taxpayer money.

Mr. Bradshaw left copies of the Board of Supervisors resolution and the National Labor Relations Board complaint.

Mr. Barry Taranto, said that he was disappointed to discover a week and a half ago only one cashier at the garage booth, severely limiting the number of cabs that could be dispatched. AMPCO needs to be held accountable for their actions. He urged the Commission to look carefully not only at the qualifications, but how the new contractor will work with others. AMPCO has a great computer system, but in terms of management and people skills they fall short.

He added that ShuttlePort/DAJA is great.

\* \* \*

L. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

M. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into Closed Session. The Closed Session began at 10:08 A.M.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Aeroground, Inc. vs City and County of San Francisco, San Francisco Airport Commission, and John L. Martin; and, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 11:01 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

N. ADJOURNMENT:

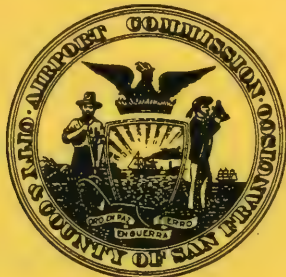


There being no further calendared business before the Commission the meeting adjourned at 11:16 A.M.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

June 5, 2001

9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

DOCUMENTS DEPT.

JUN 27 2001

SAN FRANCISCO  
PUBLIC LIBRARY



Minutes of the Airport Commission Meeting of  
June 5, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of May 15, 2001	01-0175	5
D.		ITEMS INITIATED BY COMMISSIONERS:		
		Report on MBEs/WBEs		5
E.		POLICY:		
	1.	Amendments to Airport Infrastructure Policy for Administration of Common-Use Hardware/ Software and Shared Tenant Services	01-0176	5-6
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	2.	Modification No. 30 to Contract 5500E - International Terminal General Construction - Tutor-Saliba/Perini/Buckley	01-0177	6-8
	3.	Modification No. 4 to Contract 5670A - Concourse H/AirTrain Station & North International Parking Garage - Tutor-Saliba	01-0178	8-9
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	4.	Approval of Bond Sale - \$595 million	01-0179	9
	5.	Award of Cellular Phone Rental Service Lease - Action Cellular	01-0180	10-24
	6.	Award of Contract 4200 - North Terminal Power Distribution System Improvements - Millard Tong Construction		25-26
	7.	FY 2001/2002 Rates and Charges	01-0181	26-27
	8.	Five Year Capital Plan	01-0182	27-28
	9.	Authorization to Accept Proposals to Operate the Self-Service Luggage Cart System	01-0183	28





10.	Parking Facilities Professional Services Operating Agreement	01-0184	29
11.	Authorization to Issue a Request for Proposals to Provide a Second Airport Compressed Natural Gas Fueling Station	01-0185	29
H.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
12.	Award Contract 5704A - AirTrain Graphic Signs - Vornar Products	01-0186	29
13.	Award Professional Legal Services for Master Plan Phase B and Airline Lease and Use Agreement - Morrison & Foerster	01-0187	29-30
14.	Award Professional Legal Services on Noise/ Environmental Issues - Morrison & Foerster	01-0188	30
15.	Modification No. 2 to Professional Services Contract with the San Francisco Convention and Visitors Bureau for International Strategic Marking Alliance	01-0189	30
16.	Modification No. 5 to Professional Services Contract to Outreach the Bay Area Business Coalition to Promote Increased International Air Traffic - MacKenzie Communications	01-0190	30
17.	Modification No. 9 to Legal Services Agreement - Richard H. Jordan	01-0191	30-31
18.	Modification No. 6 to Professional Services Agreement to Perform FAA required Medical Exams - Dr. Lawrence A. Smookler	01-0192	31
19.	Authorization to Solicit Request for Proposals for Inspection and Reporting System	01-0193	31
20.	Bid Call - Contract 5521R - On-Call General Construction	01-0194	
	Bid Call - Contract 5521Q - On-Call Mechanical Construction	01-0195	
	Bid Call - Contract 5521R - On-Call Electrical Construction	01-0196	31
21.	Employee Parking Facility Operating Agreement	01-0197	31-32



22.	Implement Tiered Trip Fee Structure for Off-Airport Parking Operators	01-0198	32
23.	Authorization for Staff to Seek, Accept and Expend funds for the Bay Area Air Quality Management District for Clean Air Vehicles	01-0199	32
24.	Reimburse Certain Retail Tenants for Costs Associated with the Delay in Opening the New International Terminal	01-0200	32
25.	Reimburse United Airlines for EPRI Study to Assist Airport in Providing Electric Power Capacity to Support Ground Service Equipment Fleets Servicing Aircraft at the Airport	01-0201	32
26.	Amendment No. 2 to Off-Airport Office Lease No. 96-0242	01-0202	33
I.	PUBLIC HEARING:		
27.	Incorporation of Reflection Center Rules & Regulations as Appendix E of the Airport's Rules and Regulations	01-0203	33
J.	NEW BUSINESS:		
	Catering trucks		33
K.	CORRESPONDENCE:		
K.	CORRESPONDENCE:		
L.	CLOSED SESSION:		
	Potential Litigation		4-5
M.	ADJOURNMENT:		
			34



# AIRPORT COMMISSION MEETING MINUTES

June 5, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:06 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

\* \* \*

Commissioner Strunsky sought to be recused from participating in the discussion and vote on Item No. 5, Award of the Cellular Phone Lease, due to his personal associations with both sides.

Ms. Mara Rosales, Airport General Counsel said that since the last meeting when the Commission voted in favor of recusing Commissioner Strunsky she has had the opportunity to further investigate the matter of Commissioner Strunsky's recusal with the City Attorney's Office, and it has been determined by that office that the grounds Commissioner Strunsky stated for recusal have been deemed to be insufficient to recuse him from voting on this matter.

\* \* \*

## L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

The Commission voted unanimously to go into closed session. The closed session was convened at 9:12 A.M.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The public session was reconvened at 9:55 A.M. The Commission determined that it



was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of May 15, 2001 were adopted unanimously.

No. 01-0175

\* \* \*

D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton thanked staff for information on minority legal firms hired by the Airport.

\* \* \*

E. POLICY:

Item No. 1 was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

1. Amendments to Airport Infrastructure Policy for Administration of Common-Use Hardware/Software and Shared Tenant Services

No. 01-0176

Resolution approving amendments to the Airport Infrastructure Policy for the Administration of common-use hardware/software and shared tenant services.

Ms. Theresa Lee, Deputy Director, Administration said that in April 1999 the Commission approved an Airport Telecommunications Infrastructure Policy that formalized the Airport's responsibility as landlord and land owner for all telecommunications infrastructure beyond a minimum demarcation entry point.

The policy has been a critical factor in successfully enabling the Airport to responsibly exercise land owner rights and comply with telecommunications laws while allowing the Airport to gain greater operational control and security over all telecommunications infrastructure on the Airport. It also allowed the Airport to develop, implement and control shared common use infrastructure and transport platform supporting Airport Commission and Airport tenant telecommunications.

Amendments to this policy are being recommended because of the rapidly emerging potential for tenants to randomly deploy infrastructure supporting new technologies on the Airport such as proprietary wireless and remote access systems which can erode the integrity of the common use environment and the full benefits of the Airport policy.





The amendments will require tenants and businesses that operate in a shared common use area to comply with our common use systems requirements for the installation of supporting infrastructure, and to obtain approval from the Airport for short term exceptions to the policy.

The amendments also require tenants and businesses who are granted interim exceptions to the policy to conform, integrate and migrate proprietary technologies to operate on our shared common use system as they are developed and installed by the Airport.

The amendments also direct staff to implement a shared tenant services operation and provide such services to tenants and businesses that choose to secure these services from the Airport. It also authorizes the Director to implement flexible initial pricing for services under a shared tenant service operation that meets strict Airport cost recovery objectives while also being highly competitive relative to established market rates for similar services that are available through alternative providers.

The Director will provide the Commission with a full listing of shared tenant service charges for ratification or adjustments on an annual basis.

Commissioner Crayton asked who are the contractors.

Ms. Lee responded that these services are provided by the Airport.

Commissioner Ito asked how the Airport will monitor a tenant who decides to deploy its own infrastructure.

Ms. Lee said that the Tenant Improvement Guide sets the guidelines and there will be internal monitoring between the Concession Development Division or Aviation Department and her division.

\* \* \*

#### F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Ito. Item No. 2 was approved by a 4-1 vote, with Commissioner Mazzola casting the dissenting vote.

2. Modification No. 30 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba Corporation, Perini Corporation and Buckley and Company, Inc., A Joint Venture - \$4,538,678

No. 01-0177

Resolution approving Modification No. 30 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba Corp/Perini Corp/Buckley & Co., Inc., A Joint Venture, in the amount of \$4,538,678, for work related to unanticipated conditions and changes to facilitate



construction. Funding source is Program Reserve. This is the final modification to close out the contract.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction explained that this modification to close out Contract No. 5500E includes costs to reconcile contract additions and deductions, credit back to the Airport costs related to deleted work, and make final settlement of the outstanding cost related to changes in the Honeywell subcontract scope of work.

The funding source for this modification will be Program Reserve.

The costs have been included in the cost forecasts presented to the Commission in the Master Plan quarterly reports.

The original MBE/WBE subcontracting goal was 15% combined MBE/WBE. Tutor-Saliba, Perini and Buckley were credited with 10.3% at the time of award and demonstrated sufficient "good faith efforts" to be approved by HRC. Through this Modification No. 30, MBE participation will be 18% MBE and 5.4% WBE, for a combined participation level of 23.4%, far exceeding the original goal and Tutor-Saliba's approved participation level.

Commissioner Strunsky noted that this is the final change order to our largest contract in the Master Plan Program. It represents less than 1% of the cost of the contract.

The project is magnificent and the new International Terminal represents a logo for the City of San Francisco. It is a culmination of a huge staff effort and all of the contractors and subcontractors who work for Tutor-Saliba. It is an indication that through good management a project can be brought in within the budget parameters.

He congratulated Mr. Allen, Mr. Kardos and staff for this accomplishment. Compared to other public works projects around the country of similar magnitude, this is a very exceptional project.

Commissioner Crayton congratulated everyone as well. She asked when Mr. Allen thought this contract would be closed out.

Mr. Allen responded that the final payment should be at the end of July.

Commissioner Mazzola concurred with Commissioner Strunsky's remarks but also wanted to give credit to the crafts who worked on the project.

Mr. Bob Russell, Honeywell, said that Honeywell was the EMCS subcontractor to Tutor-Saliba on the International Terminal, however, Honeywell was not invited to participate in any of the discussions or negotiations that led to this final close out proposal.

A letter was submitted to Ms. Rosales yesterday in order to go on record that



Honeywell's claim has not been closed out. Their claim is significantly in excess of this close out to Tutor-Saliba. In addition, Honeywell has its own time and materials claims related to the International Terminal and to the other terminals. He expressed Honeywell's concern at not having been included in this process, particularly since the attachments to this recommendation specifically call out the close out of Honeywell under the International Terminal Building contract with Tutor-Saliba. Honeywell is concerned that the Commission not act precipitously in approving this final close out without giving them the opportunity to sit down with Airport staff and counsel so that they can avoid litigation.

Mr. Martin said that Tutor-Saliba has agreed to indemnify the Airport against all claims by suppliers and subcontractors, including Honeywell.

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Modification No. 4 to Contract No. 5670A - Concourse H/AirTrain Station & North International Parking Garage - Tutor-Saliba Corporation - \$3,437,755

No. 01-0178

Resolution approving Modification No. 4 to Contract 5670A, Concourse H/AirTrain Station & North International Parking Garage, with Tutor-Saliba Corp., in the amount of \$3,437,755, for changes related to BART requirements, Airport requirements, design changes to facilitate construction, and unforeseen site conditions. Funding sources are contract contingency, BART funding sources and the Airport's "up to \$200 million" contribution to the BART-SFO Extension Project.

Mr. Allen apologized for the inadvertent deletion of the "A" and "B" attachments to this item. They will be provided to the Commission after the meeting.

Modification No. 4 to Contract No. 5670A, Concourse H/AirTrain Station and North International Parking Garage provides for various design changes required to coordinate construction, accommodate operational requirements, adjust to unforeseen site conditions, and make revisions to accommodate BART revisions.

Funding sources include contract contingency (\$1,995,020), BART funding sources, and the Airport's "up to \$200 million" contribution to the BART-SFO extension project (\$1,442,735).

This modification has been reviewed and approved by the Master Plan Advisory Board and the costs have been included in the cost forecasts presented to the Commission in the Master Plan quarterly reports.

The original MBE/WBE subcontracting goals for this contract were 18% MBE and 3% WBE. Tutor-Saliba was credited with MBE/WBE participation levels of 21.1%





and 1.2% respectively and demonstrated sufficient "good faith efforts" to be approved by HRC. This modification provides for 30.1% MBE and 3.6% WBE participation levels which will result in cumulative participation levels of 21.1% MBE and 1.4% WBE which are in line with the contractor's original commitment.

Two more modifications are expected to close out this contract.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

4. Approval of Bond Sale - \$595 million

No. 01-0179	Resolution providing for the sale of not to exceed \$595 million principal amount of San Francisco International Airport Second Series Revenue Refunding Bonds, Issue 27.
-------------	---

Mr. Bob Rhoades, Deputy Director, Business and Finance said that this item seeks authorization to sell up to \$595 million in principal amount of SFIA Second Series Revenue Refunding Bonds, Issue 27.

In 1998 the Commission authorized the sale of up to \$1.4 billion in refunding bonds to be used to refinance a portion of the Commission's outstanding debt.

At the current interest rates the plan of finance for Issue 27 assumes the issuance of approximately \$495 million in refunding bonds. The authorization for the additional \$100 million is in the event that interest rates continue to improve and we have some other refunding opportunities.

Of the \$495 million we propose to refund fixed rate refunding of \$165 million, which in the current market could yield an aggregate present value debt service savings of \$7.3 million. In addition, \$330 million would be used to refund the Commercial program. It won't generate debt service savings but it will increase our Commercial Paper capacity.

Currently, we have approximately \$1.4 billion in outstanding debt, of which \$171 million is in refunding.

The sale is scheduled for June 19.

Commissioner Strunsky noted that these bonds are issued by the Airport for work done at the Airport and they do not fall back on the full faith and credit of the City and County of San Francisco. The media often misinterprets how the Airport raises its money.





Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was 3-2, with Commissioners Mazzola and Crayton casting the dissenting votes.

Item No. 5 was transcribed verbatim from the tape.

5. Award of Cellular Phone Rental Service Lease - Action Cellular  
Minimum Annual Guarantee: \$100,150

No. 01-0180                      Resolution awarding the Cellular Phone Rental Service Lease to Action Cellular for a minimum annual guarantee for the first year of \$100,150.

MR. MARTIN: Commissioners, Action Cellular submitted the high bid. Airport staff and the Airport General Counsel, after an exhaustive review, have determined that Action Cellular meets the minimum qualifications and is a responsible and responsive bidder in accordance with the guidelines approved by the Airport Commission.

Airport staff recommends approval for award to Action Cellular.

I believe there are several speakers on this item.

COMMISSIONER BERMAN: Andrew Greg.

MS. DIANE SOVEREIGN: Commission permitting, I would like to speak first, and if it's all right, if Andrew could follow my presentation.

COMMISSIONER BERMAN: Who wants to speak first?

MS. SOVEREIGN: Dianne Sovereign from Sonnenschein, Nath and Rosenthal representing Auto Symphony. I think our presentations, myself and Mr. Greg dovetail so I think it would make more sense to speak first.  
Item No. 6 was put over.

Before I start my presentation I would just like to make two quick points. Regarding the recusal of Commissioner Strunsky. Under my reading of the City's ethic rules I am not clear if a Commissioner wants to recuse himself to avoid the appearance of impropriety, I don't know that they then can be required to not recuse themselves. I think the Ethics Commission's rules are to force somebody to recuse themselves but not the reverse.

Second, the question of having recused himself before from the prior discussions since Commissioner Strunsky during the last meetings closed session. How does that work for him coming back in now to the proceedings.



MR. MARTIN: I would remind all speakers that there is a three (3) minute limit so please keep that in mind in your presentations.

MS. SOVEREIGN: Okay. On that note, I'll start my presentation.

To get a responsive and responsible tenant at least three things have to happen. First the RFB has to contain the appropriate requirements; second, the bidders have to respond to the RFB fully and honestly; and, third, the Airport has to perform some due diligence to confirm that the information supplied is in fact true.

Here we all agree that this is a lease for a retail concession, but the Airport's position is that there is no requirement of prior retail experience. So, one, I don't think the RFB required the necessary requirements. Secondly, in Action's bid response there were problems with seven out of seven of their responses to submittal 2. And I can discuss that in more detail. So I don't think that Action did truthfully and fully respond to the RFB questions. And, third, and probably most importantly, it appears that the Airport did not perform adequate due diligence regarding the information supplied. For example, I don't think the Airport investigated the office locations or the existence of offices of the bidders. I don't think they checked the dbas of the bidders. I don't think adequately checked the past history of the bidders as tenants, and they did not adequately check the financial stability of the bidders.

Regarding financial stability, Action Cellular, as I'm sure you've all heard as nauseam, has bankruptcy issues. In this bankruptcy issue, as you probably know, a 41% share holder of Action declared bankruptcy but did not list the interest, her interest in Action on her bankruptcy. Now, the creditors in the bankruptcy are seeking to reopen and that asset, the 41% share, could be auctioned as part of this bankruptcy.

Action also has various lawsuits, eviction, and they are currently a subtenant.

Regarding the credibility of the bidder, I think that Action has supplied misinformation. Question 6 in the bid requires the bidders to provide the names and addresses of all the landlords of all their operations. In Actions' bid they claim to have offices in various countries around the world. Later, this is a letter from Action to John Martin dated May 9, Action says "Action did not make any claim that it had its own offices in other countries." If you look at their bid, this is also verbatim from their bid. They say "with offices throughout the United States. Has set up offices in Caracas and Puerto La Cruz, has set up shop in Egypt and Venezuela, is pleased to announce that they have opened a new rental office in Tokyo, Japan." Their bid certainly says that they have offices around the world. Later they say "No, no, we never claimed that we had our own offices." By the same token, in the same letter Action says "we are the largest, oldest, most reputable, etc. company in the country, if not in the world. They are claiming they are one of the largest cellular phone companies in the world yet when you look at their bid they have a total of seven employees and a total corporate capitalization of \$15,500.



Based on the bid requirements, based on the fact the bid did not include the necessary requirements, that Action did not truthfully and fully respond to the RFB, and that the Airport did not fully investigate the information provided, I don't believe that Action should be awarded this bid.

As a final issue regarding a potential conflict issue ... there is a potential conflict of issue with an Airport staff member and Action. The Airport staff member that was charged with reviewing the bids for compliance used to work for the company supplying Action with service. The service provider of Action attended the pre-bid conference, supplied a letter of recommendation for Action and by this it was clear that the staff member was aware of the connection to her former employer but she did not recuse herself from participating in the bid procedure.

With all those issues I respectfully request that the Commission vote not to award the contract to Action.

MR. ANDREW GREG: President Berman and Commissioners, I'm Andrew Greg of Solem and Associates representing Auto Symphony.

I understand this lease award represents a tough decision for this Commission ... several closed sessions and what not.

I have two very practical messages for the Commission this morning. Auto Symphony has a proven track record of performance on the Airport's behalf. Action Cellular is unstable company that not qualified or capable to carry out this lease.

This Commission resolved on March 6 that this lease closely resembles a retail concession. Curiously, Airport staff did not require bidders to demonstrate retail experience for this lease. It should have been an explicit bid requirement.

It appears that staff only looked at minimum guarantee numbers.

Auto Symphony is a reputable cellular phone retailer. It has 30 employees, 15 of whom are located at the Airport and they provide multi-lingual capabilities there. It has successfully operated at SFO since 1997.

Action Cellular has demonstrated no true retail experience and operates out of an office that in no way resembles a retail operation. They claim to have seven total employees.

As you can see from the slide, Auto Symphony has a proven track record of economic performance for the Airport and has produced in excess of the minimum lease guarantee every year.

Action Cellular has a troubling history of legal and financial problems that includes eviction, bankruptcy, tax liens and garnished wages.

The bankruptcy of a 41% share holder will place Action Cellular at financial risk in





the near future when creditors try to recover money they lost. We understand that efforts are under way to secure Action Cellular's assets for these very creditors.

We also recently learned that a Miami-based dot com called Talk Visual announced last year that it signed a letter of intent to acquire Action Cellular. Yesterday Talk Visual's stock was trading at 4 cents a share. The status of this takeover is unclear.

The lawsuit depicted up on the screen is one filed by a San Francisco temporary worker agency that its counsel assured this Commission that they were unaware of in correspondence dated May 9. We have documents to support every matter we cite here.

I would just like to say from a practical standpoint that these are very serious problems that Action Cellular and Airport staff are simply asking this Commission to ignore.

Now more than ever the Airport staff should insure that leaseholders are able to survive at the Airport and thus protect San Francisco taxpayers. It is well within the purview of this Commission to select the bidder you feel is qualified to carry out this lease. Action Cellular is not qualified, is an unstable company and would be a highly risky selection for this Commission. By contrast, Auto Symphony has tangible retail ability and a proven track record.

MR. MARTIN: Please wrap it up here.

MR. GREG: Yes, I'm closing, Director. Thank you.

Auto Symphony is the only qualified bidder and is the only prudent and financially sound option for this Commission. On behalf of the owners of Auto Symphony, I ask you to award them this lease. They have proven that they can honor it.

COMMISSIONER BERMAN: Any questions?

The next speaker is James Reuben.

MR. JAMES REUBEN: Good morning President Berman and members of the Commission, I'm Jim Reuben of Reuben and Alter, and we are representing Action Cellular, the ostensible winning bidder and the subject of your resolution.,

I would like to say at the outset that I have tried to take the high road in these discussions and negotiations and hearings and not chased the red herrings that have been thrown out at you, like the bankruptcy of a minority share holder. I just urge you to rely on your competent counsel, the City Attorney, because we're partisan, they're partisan, the City Attorney is not. I'm sure that they will advise you as to the legal aspects properly.





The public bid process is a risky business. There are many businesses in the construction arena and elsewhere who simply will not get involved. Unlike an at arms length private negotiation the award of a contract after public bid has nothing to do with who might a better job. Once the bids are opened the winner gets the job so long as he or she has responded to the RFP and can do the work, no matter how good a job someone else claims that they can do.

These protesters baseless claims that Action Cellular is anything less than a first class, full service experience operator are really outrageous. Action Cellular is the oldest, largest and most sophisticated operator on the West Coast. Some of these claims actually provide an opportunity to brag. For instance, for some reason or other they have raised the issue of outbound versus inbound rentals. That is an interesting point since Action Cellular is unique in this respect. With their worldwide partnerships they will lease phones from the Airport location to outbound passengers no matter where they are destined, no matter what type of service is at the other end of their trip. Those outbound rentals can be done at competitive prices and the passenger will be able to provide a phone number immediately to their business or family. This service is unique to Action Cellular and will actually raise revenues for the Airport.

Action Cellular has the largest client base of any cellular rental phone business in the Bay Area. Their clients include private businesses like Apple Computer, Bank of America, Gotellis, and Charles Schwab, and non-profits like the Boy Scouts, the Names Project and the United Way, labor unions like the SEIU, Local 715 and the National Association of Broadcast Employees and I'm very pleased to report that Walter Johnson has signed and sent a personal letter. I don't have it. He sent it last night. It's gone directly to the Commission Secretary. If you don't have it. If you don't you will have it today. I see an affirmative nod that they do have it ... on behalf of the Labor Council who has been a client of the Labor Council who has been a client of Action Cellular for many, many, many year.

In addition to universities and government agencies like the City and County of San Francisco, Port of Oakland, Stanford University and the U.S. Navy, Action's client base is in the thousands. Every single client will receive extensive marketing data about the availability of rental at San Francisco Airport.

The suggestion that Action Cellular is inadequate to do this job is, frankly, bizarre. Auto Symphony's protest is full of innuendo, suggestion and guess work. For example, they made the claim that our financial information was inflated because more than one company was included in the tax returns. As the Airport staff has determined and advised you that claim was false and nothing more than a guess when it was made because the Airport has rightfully kept all of the financial data confidential.

Auto Symphony claimed that the HRC documentation had not been submitted. Another guess because obviously it was submitted on time and they have since been certified.

Auto Symphony has accused, and done it today with you, Action Cellular being



involved in lawsuits. Their protest letter cites \$14,000 total, two lawsuits over 11 years. A pretty good record for anybody in business in San Francisco doing revenues of over \$1 million a year. We assert that \$11,000 of that was a wrongful case and was dismissed.

I can go on and on and it all amounts to nothing.

Action Cellular and Auto Symphony took the risk on that bid day when they wrote their numbers on a piece of paper and submitted them to the Airport.

Action Cellular won. Auto Symphony lost.

A couple of days ago ... fortunately I'm going on a trip so I called Action Cellular. Half hour later I had my phone delivered to the office in the package. I just want to submit this to you so that you can take a look at the kind of service they provide. I'll give it to Jean Caramatti.

Unless there are questions, that's all that we have to submit. Action Cellular's president, Lee Dorfman, is here.

Thank you.

COMMISSIONER BERMAN: Next speaker, Barry Tagawa.

MR. BARRY TAGAWA: Good morning. My name is Barry Tagawa and I am a civil litigation attorney in San Francisco and I'm here to speak of Auto Symphony. I represent, in civil litigation, two creditors of Cheryl Dean. Their names are Joseph Nitsell who is a 60 plus year old retired executive, and Julia Shimelda who is a chiropractor in her mid 40s, both of whom invested their life savings into a stock investment which was represented to them by James Bingham Dean who is the husband of Cheryl Dean. Mr. Nitsell invested about \$200,000 from his IRA .

MR. MARTIN: I really think that you should limit your comments to this action. This seems to be pretty far off.

MR. TAGAWA: I will try to summarize.

COMMISSIONER STRUNSKY: Is any officer of the company involved here.

MR. TAGAWA: Involved in what?

COMMISSIONER STRUNSKY: In what you're talking about.



MR. TAGAWA: Cheryl Dean, a minority shareholder in Action Cellular, is involved.

Basically, what I want to say, is that for the past four to five years I have been pursuing in a securities fraud case about 10 defendants, including a stockbroker, dealer, merchant banker and investment banker in securities fraud allegations. Four bankruptcies have been filed, including James Bingham Dean's and five including Cheryl Dean's.

My clients are listed as creditors of Cheryl Dean. Mr. Nitsell is listed as a \$400,000, Ms. Shimelda is listed as an \$80,000 creditor. At the time Cheryl Dean filed her bankruptcy petition her disclosure of assets did not include the 41% interest in Action Cellular.

I have in pursued in bankruptcy each of the bankruptcy each of the bankruptcy debtors that have filed for bankruptcy, and I have pursued on behalf of Mr. Nitsell non-dischargeable judgments against them, or resolved them in settlements in favor of my clients. Had I known that Cheryl Dean had an asset in her bankruptcy I certain that I would have been authorized to pursue her as well.

At this time it is my understanding that creditors of Cheryl Dean are writing to the trustee in bankruptcy to reopen her bankruptcy case and I am confident that it will be reopened for her failure to disclose what appears to be a significant asset which was not disclosed at the time of her discharge in bankruptcy. Should it be reopened, I intend, on behalf of my clients, to pursue her as appropriate.

COMMISSIONER BERMAN: (Changed tape) ... attorney and your request to speak indicates that you're speaking for yourself or for a client.

MR. TAGAWA: I have been requested to speak by Auto Symphony.

COMMISSIONER STRUNSKY: I am fascinated by the point you make because it would seem to me, if you represent creditors of Cheryl Dean, Ms. Dean's assets would be significantly improved if awarded to Action Cellular. It would seem to me that your actions in coming before this Commission asking that the contract not be awarded are absolutely diametrically opposed to your own clients interest. You may want to punish her but your not doing a favor for your clients.

MR. TAGAWA: I cannot speak to Action Cellular's assets or business practices or history at this point. I am not familiar with that company.

COMMISSIONER STRUNSKY: I understand that you're not.

COMMISSIONER CRAYTON: I wonder, as a matter of process, I would wonder





if our esteemed ... Mr. President, as a matter of process on this Commission, unless we have a question of whomever is presenting, could we refrain from making editorial comments.

COMMISSIONER BERMAN: Mr. Steve Harris.

MR. STEVE HARRIS: Good morning President Berman, Commission members. My name is Steve Harris. I am an attorney and I have my office 601 California Street in San Francisco. I represent two creditors of Cheryl Dean, a 41% share holder ... Raymond Hoyt and Doris Hoyt, who were bilked out of their life savings by the action of Cheryl Dean's husband, James Bingham Dean.

Mr. Dean's bankruptcy, my understanding why it was tossed out because of failure to disclose certain things. I have talked to the attorney for the trustee, Raydoon Sunshine (spelling ???) and she informs me that it is the intention of the trustee to pursue the 41% interest in Action Cellular and realize that asset for the creditors of the estate of Cheryl Dean, of which my clients are among that group.

The Commission has to know that if you've got 41% interest in a corporation you can seek to liquidate it and realize the assets in any way you can. I think that's probably what's going to be attempted, at least, by some of the creditors. The reason that I'm appearing here today is to make absolutely crystal clear that if we do that we will not be estopped by some contractual obligation that the company has entered into with the Commission.

We don't want the company sued for breach of contract on some lease later on because the Commission was not informed of the circumstances by the City. We want to make full disclosure of what our intent is, what we intend to do here. And the Commission can go ahead and act in any way they want, but I want them to do so with full and absolute clear knowledge of what the matter is.

Any questions?

COMMISSIONER BERMAN: Mr. Joel Panzer.

MR. JOEL PANZER: My name is Joel Panzer. I'm a property manager here in the City. I live in the Noe Valley. My business is there. I'm not a public relations person. I'm not an attorney. Just a small business person.

I have no vested interest in which company you eventually award this contract to today. I do, however, encourage you to look carefully at the companies you as representatives of the City assign contracts with.

I have been told that Cheryl Dean is a substantial shareholder in Action Cellular. If that is true it should give you as much cause for serious concern as it does me. I have just recently learned that Cheryl Dean did not properly disclose to you her





41% ownership in Action Cellular in her 1998 bankruptcy filing which she signed under penalty of perjury.

I, too, am one of the walking wounded of the Dean family. My family, my friends, myself were bilked out of hundreds of thousands of dollars by that family, and they got away with it.

They are unscrupulous people.

Several years of intense Securities and Exchange Commission and FBI investigations have raised serious concerns about organized crime involvements surrounding a penny stock fraud. I was interested to hear about a penny stock for 4 cents thinking of acquiring this company. Because that is how we all lost our money, through a company called Clean Express here that we were convinced was going to make money. So we invested.

Please don't let your City be victimized as my family and my friends already have. Don't take my word for this. Investigate this for yourself.

I would like to say one other thing. I was here last month when you had your first hearing. Another gentleman was here as well. His name was Dr. Richard Sonnenberg. Dr. Sonnenberg wanted to speak but unfortunately he could not be here today. He asked me to deliver his thoughts as well.

"It has been my pleasure to know Eddy Cave for near onto 20 year plus. His stores are visible in the San Francisco environs, including your Airport. His reputation as a courteous professional dealer in the are of electronic components for communications are well known. It is a credit to the Airport Commission to have selected him to have the retail enterprise at the Airport in the past. His honesty and on-time payments are excellent.

On the other hand, Action Cellular may state they are a retail organization. That may be true, but where are they? One of the principal owners, together with her husband has swindled me out of money. The absence of an honorable reputation, the absence of a track record of profitability, and the lack of honoring debts of one of the principal owners leads one to the conclusion that the contract can only awarded to Auto Symphony.

Thank you for your courtesy of reading this and continue doing the good work at the Airport. Hartwick Sonnenberg, M.D., Retired Physician."

COMMISSIONER BERMAN: Are you a resident of San Francisco?

MR. PANZER: Yes, sir. I live in Noe Valley at 354 Jersey Street and I have a business on Castro at 24<sup>th</sup>. I've been in the City for 35 years. My wife is a school teacher at Presidio Mills School.



MR. MARTIN: I would suggest that Deputy City Attorney Adrienne Go respond to some of the specific points that have been raised here.

Adrienne, perhaps just quickly outline the process again on the review of the bid.

MS. ADRIENNE GO: Commissioners, as you know, this contract has been offered to the industry in the form of a request for bids. The review process is you open the envelopes, you figure out who's the highest bidder and you look at that bidder very closely to find out whether they satisfy the minimum qualification requirements, whether they are responsive and whether they are responsible.

You do not have the ability to some sort of comparison, or there is no relative superiority analysis compared between the number one and the number two.

So, in looking at number one the review has been, as you can imagine, quite extensive. Staff has looked at, our office has looked at it, Mara has looked at it. We've asked other people within our resources to look at it, including our investigators, the Airport's Finance Department, the Airport's Business Department.

As far as responsiveness goes, when you look at the bid all of the questions were answered, all of the information was provided. To the extent that there was any question ... for example, Ms. Sovereign discusses the nature of the offices. It was clarified in all of the follow up correspondence. It has been very clear the nature of their offices and the extent to which Action Cellular does or does not have offices all over the world.

The responsiveness was very clear and the conclusion was that Action Cellular's bid was responsive.

There has been a lot more discussion about whether Action Cellular was responsible. You know from prior discussions what the standard of responsibility is, and it looks to whether the bidder, that is Action Cellular, the company can perform on the project. Through our analysis, based on their description of their services, their letters of reference, our investigation, it appears as though they should have no problem performing on this contract. They are financially stable as a company, and they have the experience and the capacity to perform on the contract.

COMMISSIONER BERMAN: No questions? Thank you.

COMMISSIONER STRUNSKY: Is it appropriate to move the resolution?

COMMISSIONER BERMAN: Bob Rhoades, did you desire to speak on this issue?



MR. MARTIN: I think Adrienne covered it.

COMMISSIONER MAZZOLA: Did the motion get a second?

COMMISSIONER ITO: I'll second it.

COMMISSIONER MAZZOLA: I'm very troubled with this item. As you know this is our third attempt, our third meeting at this item. And because it's been troubling ... and I'm very troubled with the problem of a shareholder, although considered a minority shareholder at 41%.. I wish I owned 41% of anything ... I'm very worried about the accusations ... and I guess they're true. No one has said they're not true, that this shareholder has a bankruptcy problem and that problem may lap over to the company that the staff has recommended to be awarded here.

I listened very closely to all the testimony. I listened very closely to what the attorney's told me that I had not choice other than to vote for the recommendation because it has been proven that they a responsible bidder.

I disagree with the attorneys. I intend to vote no. I feel that there is a moral obligation besides a legal obligation as a Commissioner to the City and County of San Francisco. I think that there is integrity involved. I wouldn't want to vote for anything that would help a person gain money who owes money to creditors, who owes money to people that should have been disclosed. I have a big problem with that. So, I just want to go on record as saying that I intend to vote no, and will vote no. I urge other Commissioners to please consider some of these facts other than just the City Attorney says that that is what we have to do.

I have been in the construction business and I've seen construction companies claim bankruptcy on Wednesday and open new companies on Friday and leave these creditors that own wages and fringes and all kinds of money, leave them in the past and just continue on.

Bankruptcy laws are lenient and that is fine, but I think that it is an obligation of mine as a Commissioner here to not vote to get something involved with the City ... that these two attorneys who represent some of the creditors say that this case may be reopened and these shares that will probably be asked to be bought out by somebody, or however it's going to work, I don't think we need to get involved in that, so I intend to vote no.

COMMISSIONER CRAYTON: I have a ... I was wondering if Adrienne Go and the bankruptcy attorney can come up. I have some questions.

MR. MARTIN: This is the Morrison and Foerster bankruptcy attorney representing the Airport, Adam Lewis.





COMMISSIONER CRAYTON: Thank Mr. Lewis and Adrienne. I heard the attorney, Mr. Tagawa, that this 41% minority shareholder, there would be a move to liquidate those assets. Now, there are two questions ... the first question is that those actions, in your mind, would have no bearing on the solvency of the company. Is that a true statement?

MS. GO: Commissioner, if you're asking whether the move to dissolve the company would have any financial bearing on the company, I think the answer to that is yes. But to get there is quite a long road. You have to get there when you start with the bankruptcy trustee deciding to open the bankruptcy estate. We don't have the bankruptcy trustee to tell us whether or not, but obviously if the bankruptcy trustee decides to open up the estate, and, if in fact when the shares are moved out of the company into a creditors hands, at that point, if the company and/or the shareholders do not exercise their right of first refusal or right of first offer on those shares, and if those shares end up in the hands of a hostile shareholder, and if the hostile shareholder believes that it is in the best interest of that shareholder, because you want to kill the golden goose, and you decide that the company, which everyone agrees has a bright new concession opportunity and the idea is that you want to dissolve the company because you want to get rid of that opportunity and somehow you don't want to keep that asset and you think the best way to do that is dissolve the company, and if you are able to convince the local Superior Court that you have to dissolve the company, which is a very drastic remedy, and if you are able to convince the Superior Court that a dissolution is necessary to protect the interests of the minority shareholder, and in that case, and if the Superior Court agrees, what theoretically could happen at that very long chain of events is that the company could be dissolved, at which point the Airport would have the right under its transfer restrictions and its default provisions to terminate the lease. Any of the transfers under the lease would be subject to the Commission's approval.

By the way Commissioners, this is a possibility in any organization, whether it be a corporation, a partnership, if you have internal corporate or partnership dissension, that's why we write our leases as tight as we do, that's why the Airport Commission has a 6 month security deposit policy to protect the Airport's interests.

MR. ADAM LEWIS: Commissioners, if I can just add to Ms. Go's comments. Just so it's clear, there's nothing about bankruptcy law that changes this calculus one way or the other. The bankruptcy code does not give the trustee special rights to dissolve the corporation nor to transfer any such special rights to a buyer of the stock if it's not the insider owner.

COMMISSIONER CRAYTON: And so, would you then tell us ... I really want to be clear on our ability to do something different in this case. What would be the reason why we would not then, if Action Cellular is the highest responsible bidder, we would not award this contract to them. Based upon what you're saying, you're





COMMISSIONER CRAYTON: Thank Mr. Lewis and Adrienne. I heard the attorney, Mr. Tagawa, that this 41% minority shareholder, there would be a move to liquidate those assets. Now, there are two questions ... the first question is that those actions, in your mind, would have no bearing on the solvency of the company. Is that a true statement?

MS. GO: Commissioner, if you're asking whether the move to dissolve the company would have any financial bearing on the company, I think the answer to that is yes. But to get there is quite a long road. You have to get there when you start with the bankruptcy trustee deciding to open the bankruptcy estate. We don't have the bankruptcy trustee to tell us whether or not, but obviously if the bankruptcy trustee decides to open up the estate, and, in fact when the shares are moved out of the company into a creditors hands, at that point, if the company and/or the shareholders do not exercise their right of first refusal or right of first offer on those shares, and if those shares end up in the hands of a hostile shareholder, and if the hostile shareholder believes that it is in the best interest of that shareholder, because you want to kill the golden goose, and you decide that the company, which everyone agrees has a bright new concession opportunity and the idea is that you want to dissolve the company because you want to get rid of that opportunity and somehow you don't want to keep that asset and you think the best way to do that is dissolve the company, and if you are able to convince the local Superior Court that you have to dissolve the company, which is a very drastic remedy, and if you are able to convince the Superior Court that a dissolution is necessary to protect the interests of the minority shareholder, and in that case, and if the Superior Court agrees, what theoretically could happen at that very long chain of events is that the company could be dissolved, at which point the Airport would have the right under its transfer restrictions and its default provisions to terminate the lease. Any of the transfers under the lease would be subject to the Commission's approval.

By the way Commissioners, this is a possibility in any organization, whether it be a corporation, a partnership, if you have internal corporate or partnership dissension, that's why we write our leases as tight as we do, that's why the Airport Commission has a 6 month security deposit policy to protect the Airport's interests.

MR. ADAM LEWIS: Commissioners, if I can just add to Ms. Go's comments. Just so it's clear, there's nothing about bankruptcy law that changes this calculus one way or the other. The bankruptcy code does not give the trustee special rights to dissolve the corporation nor to transfer any such special rights to a buyer of the stock if it's not the insider owner.

COMMISSIONER CRAYTON: And so, would you then tell us ... I really want to be clear on our ability to do something different in this case. What would be the reason why we would not then, if Action Cellular is the highest responsible bidder, we would not award this contract to them. Based upon what you're saying, you're



saying there is no bearing on the bankruptcy. If I'm hearing what you're saying, that in fact, they did satisfy responsiveness in terms of the quality, fitness capacity. You said that they were fiscally sound. Bearing on what they've done we've asked you extensive questions. The background investigation has been done. And, all of the concerns that we heard, albeit that I am very unsettled by the bankruptcy things and being having been defrauded, but, yet, also understanding the law and that this 41% would not have an effect on the responsible person in terms of this particular bid.

MS. GO: Commissioner, in order to reject the number one under this circumstance the Commission would have to find either that they didn't satisfy the minimum qualifications, or that they were non-responsive, or that they were non-responsible. Unless you can do one of those three things then in order to reject them for being and go to number two, you would have to find that one of those three items were not met.

COMMISSIONER CRAYTON: Just so that I'm really clear on this. I just want to ask again because there were several points that were brought up during the presentation of the attorney that stated that they did not disclose information regarding the international businesses, and other kinds of things like that. You checked into all of those and therefore they did, in essence, provide all of that information as was indicated and so, therefore, those issues were not true. Is that what you're stating to me?

MS. GO: Yes.

COMMISSIONER ITO: I just have some points of clarification. Through the discourse that we've had over the last three meetings I've raised some concerns about the questions of retail experience. I think you've satisfied my inquiry in terms how that was not an initial requirement of Auto Symphony, so in all fairness in the guidelines that were put out in the RFP, the bidder responsibly met those guidelines.

All of the allegations of the implications of the bankruptcy are certainly of concern. I've gone round and round at each meeting trying to clearly understand where the Airport's obligation is, and what Commissioner Mazzola's concern is in terms of protecting the City and County of San Francisco and the Airport in this instance. And what I'm hearing you say in discourse with Commissioner Crayton is that we do, through our contractual agreement, have a remedy if there is some terrible thing that goes on with Action Cellular in terms of liquidation because of some bankruptcy action. That we have a mechanism to disengage ourselves from that contract.

MS. GO: That's correct, Commissioner.



COMMISSIONER ITO: So we would be fulfilling our requirements in terms of meeting these responsibilities if something happened that requires they could not meet their financial obligations to us.

MS. GO: Yes.

MR. MARTIN: Commissioners, in closing ...

COMMISSIONER MAZZOLA: Let me clear one more thing up. There was a letter referred to by Jim Reuben from Walter Johnson from the Labor Council in support of Action. I just want to go on record as saying that this was never brought to the Executive Board of the San Francisco Labor Council of which I am a member ... my name appears on the side of the letterhead. This is strictly Walter Johnson's opinion. And I have never in my life, and I've known Walter Johnson for 30 years, seen him with a cell phone.

MR. MARTIN: Commissioners, in closing I feel very strongly that throughout the Commission's history since its creation, in 30 years we have followed a very strict process and one with integrity in the bidding of our retail leases. We have always a practice of awarding to the highest bidder who is deemed to meet the minimum qualifications, and who is responsible and responsive in accordance with preestablished guidelines approved by the Commission.

After extensive review, the staff and the Airport General Counsel have found that Action Cellular meets these requirements. I strongly recommend Commission approval today.

COMMISSIONER MAZZOLA: Responsibility to me is the entire company. If the company has some troubles that's responsible to us and they should tell us they have the troubles. If they have some potential troubles there I think it's a responsibility of that company to tell us. So, I'm voting no because they are not responsible.

COMMISSIONER CRAYTON: I just need to say another thing. One of the other things that I was ... information that was given to us, and it's stated in the report, is that the Human Rights Commission has determined that Action Cellular complies with the Equal Benefits Ordinance and does have non-discrimination in employment. We do not require retail concessionaires to provide M/WBE requirements but certainly hope that they would do so in each case as to the client that is there at this particular time.

And I also want to say that it is very important for me as a Commissioner, as I value my judgment and what my role is in terms of seeing that the awarding of contracts is done in a manner that is fair and equitable to all that's involved, and





particularly the law states what it is that I'm required to do to assure that fairness and making sure that I understand that and having gone over that many, many, many, many many times I am now clear as to how the process of a rejection is and what the process of the determination of a responsive bid is in terms of what my responsibility as a Commissioner is also.

The other piece of it is that there are times when an issue such as this, that is so clouded with other emotional and other issues that are brought in and then I then must look at the facts of the case and apply those facts to the law as interpreted by attorneys that we are intrusting that have brought us information in a factual manner and certainly will be contested if they haven't.

So, I just need to say my decision is based on that information. It's troubling at best, but it is based upon that information. Thank you.

COMMISSIONER MAZZOLA: Call the roll.

COMMISSION SECRETARY: You do have a motion and a second.

Commissioner Berman.

COMMISSIONER BERMAN: Yes.

COMMISSION SECRETARY: Commissioner Mazzola.

COMMISSIONER MAZZOLA: No.

COMMISSION SECRETARY: Commissioner Strunsky.

COMMISSIONER STRUNSKY: Yes.

COMMISSION SECRETARY: Commissioner Crayton.

COMMISSIONER CRAYTON: No.

COMMISSION SECRETARY: Commissioner Ito.

COMMISSIONER ITO: Yes.





Item No. 6 was put over.

6. Award of Contract No. 4200 - North Terminal Power Distribution System Improvements - Millard Tong Construction Co., Inc. - \$1,523,000

Resolution awarding Contract 4200, North Terminal Power Distribution System Improvements, to the lowest responsive, responsible bidder, Millard Tong Construction Co., Inc., in the amount of \$1,523,000.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance said that the work under this contract is for the replacement of transformers, switch gears and other electrical components that supply the North Terminal. Most of these components were installed in the 1970s when the North Terminal opened. We will also replace the major cables between the North Terminal and the garage. Those cables are 26-27 years old.

A protest was submitted by Bass Electric, the second low bidder. The basis of the protest was on the use of M/WBE subcontractors to meet the M/WBE goals for this contract. The HRC determined that Millard Tong, the low bidder, has met the goals.

Commissioner Strunsky noted that there are two low bids just \$12,000 apart and then there is a jump up. Is staff satisfied that Millard Tong understands the project?

Mr. Eavis responded that he thinks they do. The second low bidder has performed numerous electrical system jobs at the Airport and their bid is within \$11,000 of the low bidder. Our estimate was \$1.5 million.

Mr. Jeffrey Yee, Bass Electric thanked the Commission for its MBE outreach which enabled his company to move beyond the program.

He has concerns with Millard Tong Construction using a professional service for the purpose of meeting his HRC goals in his contract. Professional services should be left within the bid requirements for professional services. In the contracting field it should be considered in specifications as "overhead defined". Managing the job is the prime contractor's responsibility.

Mr. Gouder provides a professional service, he does not necessarily provide subcontractor work that is considered a commercially useful function for this contract. Other professional services, such as security guard, are specified to be provided by the general contractor to be performed on this job.

No MBE subcontractors have an opportunity to do this work for Millard Tong Construction. He is using professional services for his own internal management which may have created a competitive edge. It is not the intent of the program to create opportunities for work that is part of the prime's responsibility. Subcontracting goals are there to create opportunities for other subcontractors ...



local, minority businesses ... to get their foot in the door so they can establish their businesses and be on their own someday. The HRC program is meant to be a stepping stone to achieve viability as a business in San Francisco. Those companies can then assist other subcontractors once they have graduated from the program.

Millard Tong claims that he has used Gouder Engineering on previous jobs. He has never seen this situation with the Airport Commission before. If this precedent is set, other companies will create project management firms and payroll firms, etc. in order to meet their goals. If this is going to be allowed, then a percentage should be applied as is done with suppliers.

Mr. Martin said that Mr. Yee's concerns are valid. HRC's interpretation of this issue may be precedent setting. Since HRC staff is not present today, he recommended holding this item over to the next meeting.

Item No. 7 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Fiscal Year 2001/2002 Rates and Charges

No. 01-0181                                      Resolution establishing Airport Rules and Charges for FY 2001/2002.

Mr. Rhoades explained that the Airline/Airport Lease and Use Agreement sets the formula for calculating airline landing fees and terminal rental rates each year.

Under the Lease and Use Agreement the airlines pay landing fees and terminal rentals in accordance with the residual cost rate setting methodology. It is designed to provide revenue sufficient to pay the Airport's annual operating expenses, debt service, capital outlays, and annual service payments to the City.

For Fiscal Year 2001/02 we are proposing rates and charges as set forth in the accompanying resolution. There is a fairly substantial increase in the proposed landing fees ... from \$1.985 to \$3.847. All of the numbers have been reviewed with the airline community over the past several months. They are all in agreement that this has to happen, although none of them are pleased.

As is the case with any major capital project, such as the Master Plan, there is a ramping up of the debt service and other expenses associated with bringing new facilities on-line. It is not unusual to have a substantial increase after the completion of such a project.

At some point in the future the rates will stabilize and as we generate more revenues associated with these new facilities the rates will start to go backwards. This is true with every major airport project we reviewed.

The airlines understand this. They also understand that we have undertaken and will continue to undertake a number of financial measures to manage the



increasing debt associated with bringing the new facilities on-line.

Commissioner Ito asked if there are other risks, such as the departure of Southwest.

Mr. Martin said that yesterday Alaska Airlines announced additional flights, and American West is also adding flights.

Mr. Rhoades added that there are changing market conditions with the additions and subtractions to any particular airport environment. Southwest has its own reasons, beyond the rates and charges, for consolidating its activities into other secondary Bay Area markets.

We now have additional gate capacity to accommodate airlines already at SFO who want to expand, as well as new carriers who want to enter this market. This positions us to move forward.

Item No. 8 was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

8. Five-Year Capital Plan

No. 01-0182                                      Resolution approving the Five-Year Capital Plan for Fiscal Years 2000/2001 through 2005/2006.

Mr. Rhoades explained that item approves the Five Year Capital Plan. The Commission has historically maintained multi-year capital plans for budgeting and planning purposes.

The new Capital Plan was developed to address the Airports capital needs and provide a foundation for the Airports Plan of Finance. The Plan of Finance is a key component used for financing, planning and forecasting debt service requirements associated with future projects.

The new Capital Plan was completely recreated and totals \$1.1 billion, which includes \$236 million for the Airfield Development Bureau, is about \$600 million less than what we actually had in our plan with Issue 26.

The structure is based on four key components where a project must either (1) generate revenue, (2) initiate cost savings, (3) be required for security and safety, or, (4) is an enhancement for the traveling public.

The plan also provides for the flexibility to move projects within the program and to change projects as required. Our overall objective is to contain our capital requirements over the next five years.

Commissioner Strunsky assumed that the financing of the capital plan is funded through bonds and does not affect the full faith and credit of the City and County of San Francisco.





Mr. Rhoades agreed.

Item No. 9 was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

9. Authorization to Accept Proposals to Operate the Self-Service Luggage Cart System

No. 01-0183

Resolution approving the operating agreement specifications, authorizing staff to accept proposals, and approving the holdover of the current operator of the self-service luggage cart system at San Francisco International Airport.

Mr. Rhoades explained that the Commission authorized staff to conduct a pre-bid conference for the Self-Service Luggage Cart Operating Agreement.

When the document was drafted for publication, the Airport determined that the award of the operating agreement was better achieved by using a request for proposal process with a bid component, rather than a straight bid process. Staff is now recommending that this project be presented as an RFP rather than a bid.

The pre-proposal conference was held on April 25, 2001. Eleven individuals representing five companies attended the conference.

Overall, SFO has a fleet of over 5,500 luggage carts. The new contract requires maintaining 5,500 carts equipped with brakes. The charge would remain at \$2.00, and a free cart program will remain in operation in Customs as well as the Rental Car Facility until AirTrain is operational.

Originally the operator was required to have experience in operating a minimum of 3,000 carts in three of the past five years. We are recommending reducing the experience to 2,000 carts in two years within the past five years. The original requirement would allow only one proposer to qualify and staff believes that there needs to be competition in the program.

Minor suggestions to the design of the cart have been made which would serve the AirTrain.

Commissioner Strunsky asked if there was a component for the movement of carts from one location to the other.

Mr. Rhoades responded that such a component is included in the requirements.

Mr. Christopher Harz, Expresso, Inc. asked that the Commission consider changing the start of operations deadline from November 1 to January 1.

Mr. John Costas, Chief of Staff responded that the change in the start up date can be accommodated.





Item No. 10 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous. Commissioner Crayton left the meeting at the call of Item No. 10 and did not participate in the vote.

10. Parking Facilities Professional Services Operating Agreement

No. 01-0184                      Resolution approving the short-list of qualified proposers and invite them to submit proposals for the Public Parking Facilities Operating Agreement.

Mr. Barry Taranto, United Taxicab Workers once again encouraged the Commission to carefully consider their selection of a parking operator.

Item No. 11 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous

11. Authorization to Issue a Request for Proposals to Provide a Second Airport Compressed Natural Gas Fueling Station

No. 01-0185                      Resolution authorizing staff to issue a request for proposals for provision of a second Compressed Natural Gas (CNG) fueling station under commercial lease.

\* \* \*

H. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

The Consent Calendar, Item Nos. 12 through 26, were moved by Commissioner Ito and seconded by Commissioner Strunsky. The vote to approve was unanimous.

12. Award Contract 5704A - AirTrain Graphic Signs - Vomar Products, Inc - \$535,619

No. 01-0186                      Resolution awarding Contract No. 5704A, AirTrain Graphic Signs, to Vomar Products, Inc., in the amount of \$535,619. The work is funded from Master Plan Baseline Budget and transfers from Contract No. 5703A.

13. Award Professional Legal Services for Master Plan Phase B and Airline Lease and Use Agreement - Morrison & Foerster LLP - \$500,000

No. 01-0187                      Resolution approving Professional Legal Services Agreement with Morrison & Foerster LLP to provide legal services on the Master Plan Phase B and Airline Lease and Use Agreement in the amount of \$500,000 and terminate existing



14. Award Professional Legal Services on Noise/Environmental Issues - Morrison & Foerster LLP - \$450,000

No. 01-0188

Resolution approving Professional Legal Services Agreement with Morrison & Foerster LLP to provide legal services on noise issues and environmental law in the amount of \$450,000, and terminate the existing Noise/Environmental Contract authorized under Resolution No. 86-0175, adopted July 15, 1986.

15. Modification No. 2 to the Professional Services Contract with the San Francisco Convention and Visitors Bureau for International Strategic Marketing Alliance - \$310,000

No. 01-0189

Resolution authorizing Modification No. 2 to the Professional Services Contract with the San Francisco Convention and Visitors Bureau for the continued development and implementation of an International Strategic Marketing Alliance to increase the amount by \$310,000 and to extend the term from July 1, 2001, thru June 30, 2002, all other terms and conditions of the contract remain in full force and effect.

16. Modification No. 5 to the Professional Services Contract to Outreach the Bay Area Business Coalition to Promote Increased International Air Traffic - MacKenzie Communications, A Certified WBE - \$100,000

No. 01-0190

Resolution authorizing Modification No. 5 to the Professional Services Contract with MacKenzie Communications, A Certified WBE, for the continued development and ongoing outreach to the Bay Area Business Coalition to promote increased international air traffic by increasing the amount by \$100,000 and extending the term from July 1, 2001 thru June 30, 2002, all other terms and conditions of the contract remain in full force and effect.

17. Modification No. 9 to Legal Services Agreement - Law Firm of Richard H. Jordan - \$45,000



No. 01-0191

Resolution approving Modification No. 9 to Legal Services Agreement with the law firm of Richard H. Jordan to extend term of contract for one year, through and including June 30, 2002, and increase compensation by the amount of \$45,000; all other terms and conditions of contract to remain in full force and effect.

18. Modification No. 6 to Professional Services Agreement to Perform FAA Required Medical Exams - Dr. Lawrence A. Smookler - \$112,320

No. 01-0192

Resolution approving Modification No. to the Professional Services Agreement with Dr. Lawrence A Smookler to perform FAA required medical exams in an amount not-to-exceed \$112,320 in fees for FY 2001/2002.

19. Authorization to Solicit Request for Proposals for Inspection and Reporting System

No. 01-0193

Resolution authorizing the issuance of a Request for Proposals for a replacement of the Inspection and Reporting Database Program to ensure the Airport remains in compliance with all FAA FAR Part 139 Certification requirements in the amount of \$450,000.

20. Bid Call - Contract No. 5521P - On Call General Construction  
Bid Call - Contract No. 5521Q - On Call Mechanical Construction  
Bid Call - Contract No. 5521R - On Call Electrical Construction

No. 01-0194

No. 01-0195

No. 01-0196

Resolutions approving the scope, budget and schedule for Contract 5521P - On-Call General Construction, Contract 5521Q - On-Call Mechanical Construction, Contract 5521R - On-Call Electrical Construction and authorizing the Director to call for bids when ready.

21. Employee Parking Facility Operating Agreement

No. 01-0197

Resolution approving the incorporation of the Employee Parking Garage into the Public Parking Facilities Operating Agreement for the period covering September 1, 2001 through October 31, 2001, and authorizing staff to proceed with the process for the selection of an operator to



22. Implement Tiered Trip Fee Structure for Off-Airport Parking Operators

No. 01-0198

Resolution increasing the trip fee for off-Airport parking operators that introduce shuttle vehicles to Airport service which are not clean air vehicles certified by the California Air Resources Board. The fee would be a multiple of three times the basic trip fee and would take effect July 1, 2001.

23. Authorization for Staff to Seek, Accept, and Expend Funds from Air District for Clean Air Vehicles

No. 01-0199

Resolution authorizing airport staff to seek, accept, and expend funds from the Bay Area Air Quality Management District to provide an incentive for hotels off-airport parking firms, crew shuttle operators, door-to-door van companies, and other ground transportation providers to augment their fleets with clean air vehicles, such as Compressed Natural Gas (CNG) or electric vehicles.

24. Reimbursement to Certain Retail Tenants for Costs Associated with the Delay in the Opening of the New International Terminal

No. 01-0200

Resolution approving reimbursement for delay costs incurred by the retail tenants in the New International Terminal and authorizing the Director to execute agreements giving effect to the foregoing in the aggregate amount of \$350,000.

25. Reimbursement to United Airlines for EPRI Study to Assist Airport in Providing Electric Power Capacity to Support Ground Service Equipment Fleets Servicing Aircraft at the Airport

No. 01-0201

Resolution approving reimbursement to United Airlines in an amount not to exceed \$64,000 for the Electric Power Research Institute (EPRI) to assist airport in providing cost-effective, site-specific electric power capacity to support ground service equipment fleets servicing aircraft at San Francisco Airport.





26. Amendment No. 2 to the Off-Airport Office Lease No. 96-0242

No. 01-0202

Resolution approving Amendment No. 2 to the Off-Airport Office Lease No. 96-0242 between the City and County of San Francisco and SeaBreeze I Venture, 111 Anza Boulevard, Burlingame, to provide for month-to-month holdover of Suite 300 for a period not to exceed seven (7) months following the expiration date of February 17, 2002.

\* \* \*

I. PUBLIC HEARING:

The public hearing was convened at 11:34 A.M. and adjourned at 11:37 A.M., there being no requests from the public to speak. Item No. 27 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

27. Incorporation of Reflection Center Rules & Regulations as Appendix E of the Airport's Rules and Regulations

No. 01-0203

Resolution authorizing the Director to incorporate the attached rules and regulations governing the use of the Reflection Center as Appendix E of the Rules and Regulation.

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Barry Taranto, United Taxicab Workers, asked the Commission to direct staff to monitor the catering trucks to insure that pricing is always listed on the trucks and that a healthy diet is offered.

\* \* \*

K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*



M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:40 A.M.

  
Jean Caramatti  
Commission Secretary




# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

June 19, 2001

9:00 A.M.

 ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

DOCUMENTS DEPT.

JUL 13 2001

SAN FRANCISCO  
PUBLIC LIBRARY

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
June 19, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of June 5, 2001	01-0204	4
D.		POLICY:		
	1.	Worker Retention Policy	01-0205	4-5
E.		ITEMS INITIATED BY COMMISSIONERS:		5
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	2.	Award Contract 5001C - Master Plan Landscaping - Package 1B, 2 & 3 - Watkin & Bortolussi	01-0206	6
	3.	Modification No. 7 of Professional Services Contract 5500 - International Terminal - Skidmore, Owings & Merrill/Del Campo & Maru/Michael Willis & Associates	01-0207	7
G.		ITEMS RELATING TO ADMINISTRATION & MAINTENANCE:		
	4.	Award Cyber Room - "Technology Showcase" Lease - Transportation Media, Inc.	01-0208	7-8
	5.	Authorization to Enter into Contract Negotiations for the Curbside Management Program	01-0209	8-10
	6.	Rate Adjustment for Public Parking Garages	01-0210	10-11
	7.	Approve Work Order Budgets and Staffing Levels for Other City Departments	01-0211	11
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	8.	Modification No. 4 to Professional Service Contract 5500.5 - Material Testing and Special Inspection - International Terminal General Construction, Aviation Museum, Main Police Station - Consolidated Engineering Laboratories	01-0212	12





9.	Award Garage Taxi Staging Area Mobile Catering Truck Leases:		
	Lease A - A&I Catering	01-0213	
	Lease B - Fresh & Natural	01-0214	12
10.	Modification No. 10 to Airline Liaison Office Agreement - Airport and Aviation Professionals	01-0215	12-13
11.	Modification No. 2 to Contract 4279 - On-Call Construction Services for Signs - Vomar Products, Inc.	01-0216	13
12.	Modification No. 8 to Professional Services Contract for Airport Roadway Design - Leigh Fisher	01-0217	13
13.	Exercise First One-Year Option for Mobile Catering Truck Lease A, Millbrae View Lot - A&I Catering	01-0218	13
14.	Exercise First One-Year Option for Mobile Catering Truck Lease B, Millbrae View Lot - Y&P Catering	01-0219	13
15.	Bid Call - Contract 4394 - Terminal 2 Renovation - Floors 3 thru 6	01-0220	13
16.	Bid Call - Contract 3846R - Terminal 2 and Other Facilities Fall Protection System	01-0221	13-14
17.	Approve Semi-Annual Adjustment of Transportation Fee for Consolidated Bus Serving the SFO Rental Car Center	01-0222	14
18.	Rate Adjustment for the Airport Shuttle Bus Agreement	01-0223	14
19.	Contract with Corporation of the Fine Arts Museums of San Francisco	01-0224	14
20.	Contract with Corporation of the Fine Arts Museums Conservation Laboratory	01-0225	14
21.	Authorization to Issue a Rental Credit to Sun Country Airlines - \$8,000	01-0226	14-15
22.	Reimburse Host International for Services Provided to the ACI-Pacific Conference	01-0227	15
23.	Consent to the Assignment from Cellular One to		



	AT&T Wireless Services	15
24.	Rescind Contract with Peninsula Corridor Joint Powers Board for Expanded Weekend BX Service and Approve Contract with SamTrans 01-0228	15
I.	NEW BUSINESS:	15
J.	CORRESPONDENCE:	15
K.	CLOSED SESSION:	
	Settlement: Fiore v City of Millbrae Potential Litigation	16
L.	ADJOURNMENT:	16



# AIRPORT COMMISSION MEETING MINUTES

June 19, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Linda S. Crayton  
Hon. Caryl Ito

Absent: Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 5, 2001 were adopted unanimously.

No. 01-0204

\* \* \*

## D. POLICY:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

### 1. Worker Retention Policy

No. 01-0205

Resolution establishing a Worker Retention Policy for the parking garage, information booths, and Curbside Management contractors and third party service providers subject to the Airport's Quality Standards Program (excluding airlines.)

Mr. Carl Bunch, Deputy City Attorney explained that this policy will insure continuity of employment of qualified employees who currently work at the Airport, specifically the parking garage, curbside management operations, information booths and those employees and employers who are subject to the Quality Standards Program previously adopted by the Commission.

The purpose of the policy is to require that successor contractors ... and the



Airport negotiates directly with those contractors for the parking garage, curbside monitoring and the information booths ... to retain the employees of the predecessor contractor for a 90 day transitional employment period. Those employees will be evaluated at the end of the 90 day period. Employees who are released after that period will be referred to the Airport's Employment Center.

There are safeguards for the successor contractor while at the same time affording employees of the predecessor the opportunity to continue in their employment with the Airport.

If the successor contractor requires fewer employees than the predecessor he may place them on a preferential hiring list by seniority and by classification. That preferential hiring list stays in place for the 90 day period after the successor takes over. If, during that period, the successor wants to add employees, they go to that list. Those employees will then go through a trial period.

If, at the same time the successor employer has employees of its own that would be replaced by retaining the predecessors employees, the successor may keep its own employees. The condition to that is that the successor employers employees need to have been continuously employed for at least six months.

Further, the employees of the predecessor contractor must have been continuously employed by the predecessor for at least six months, they must have worked at least 16 hours a week, and must meet the standards articulated in the Quality Standards Program.

There has been an unwritten policy of the parking garage contractor to retain the employees of the predecessor. That may also be true of the Information Booths. The last contractor for this service did retain the predecessor employees.

Mr. Martin added that this formalizes an informal practice of the Airport.

Commissioner Ito assumed that a new contractor would have to take the hiring of predecessor employees into consideration in the bidding process.

Mr. Bunch responded that with respect to the parking garage, curbside management program and Information Booths, this policy requirement will be referenced in the RFP, or whatever bid process is used. As for contractors covered by the Quality Standards Program, virtually all of them, if not all of them are subject to Airport support services permits.

\* \* \*

#### E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

#### F. ITEMS RELATING TO MASTER PLAN PROJECTS:





Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Award of Contract No. 5001C - Master Plan Landscaping - Package 1B, 2 & 3  
Watkin & Bortolussi, Inc. - \$4,998,200

No. 01-0206

Resolution awarding Contract No. 5001C, Master Plan Landscaping - Package 1B, 2 & 3 to Watkin & Bortolussi, Inc., in the amount of \$4,998,200.

This project is within budget and is funded from the Airport's Capital Improvement Program.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction explained that this contract includes provision of new landscaping along the Airport's Highway 101 frontage from the San Bruno Avenue Interchange to the Millbrae Interchange as shown on the sketch before the Commission.

In response to the Airport's call for bids, two bids were received on May 31, 2001: Watkin & Bortolussi at \$4,998,200 and Valley Crest at \$5,989,500.

Both bids came in below the budget of \$6,973,371. Funding is available through the Capital Improvement Program. The bid amounts include a \$250,000 allowance for undefinable Caltrans' requirements and unanticipated conditions. Neither contractor is an MBE or WBE.

After reviewing Watkin & Bortolussi's MBE/WBE subcontractor participation proposal, HRC has approved a combined level of 10.2%, which exceeds HRC's goal of 8% combined.

By awarding this contract now, we hope to take advantage of the "good weather" during the summer and fall for the bulk of the construction and planting work, and take advantage of the wet winter months for establishment of the plants.

Commissioner Crayton asked why more firms did not bid on this contract.

Mr. Allen responded that Watkins and Bortolussi have done landscaping work at the Airport in the past. They do a lot of highway work and are currently involved in a highway project near the Hillsdale interchange on 101.

Four bidders attended the pre-bid conference. He received information from James Fields of HRC after the pre-bid that other MBE/WBE landscape firms were eligible but did not participate. The Airport's complicated paperwork seems to be one of the reasons. There was easier money to make elsewhere.

Commissioner Crayton said that she understood but suggested that in the future there might be something we can do to make bidding more attractive, and make the paperwork easier so that we will have a larger pool from which to choose.



Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Modification No. 7 of Professional Services Contract No. 5500, International Terminal - Skidmore, Owings & Merrill/Del Campo & Maru/Michael Willis & Associates, Joint Venture Architects - \$886,689

No. 01-0207

This modification is needed to increase the services of SOM/DCM/MWA for extended construction administration services, preparation of as-designed drawings, and design services for new International Terminal Building restrooms.

Funding will be provided by the Capital Improvement Program and budget transfer from Contract No. 5520 design and budget underruns.

Mr. Allen explained that the proposed modification covers additional scope associated with extended construction administration services preparation of CADD files incorporating all design revisions initiated by the Airport during the construction period, and preparation of construction bid documents for additional restrooms for the new International Terminal departures level. Funding will be from design budget underruns (\$456,813) and Capital Improvement Program funds (\$429,876) as approved by the Capital Project Review Committee.

The overall MBE/WBE participation level at contract award was a combined 23.1% MBE/WBE. The participation level through this modification will be 26.5%, which exceeds the contract goal. This modification closes out the contract.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Award of the SFO Cyber Room - "Technology Showcase" Lease Transportation Media, Inc. - Minimum Annual Guarantee: \$250,000

No. 01-0208

Resolution approving the award of the SFO Cyber Room - "Technology Showcase" lease to Transportation Media, Inc. with a Minimum Annual Guarantee of \$250,000.

Mr. Bob Rhoades, Deputy Director of Business and Finance said that the minimum acceptable bid for this lease was \$250,000.

Potentially eligible companies had to either be fully immersed in the technology business or be media firms doing business with technology firms.



Transportation Media, Inc. submitted the only bid on April 27, 2001. Their minimum annual guarantee was \$250,000. The panel evaluated their proposal and rated them at 83.3 out of 100 points.

This lease is for three years with two one year options.

Item No. 5 was moved by Commissioner Ito and seconded by Commissioner Crayton. The vote to approve was unanimous.

5. Authorization to Enter into Contract Negotiations for the Curbside Management Program

No. 01-0209	Resolution authorizing staff to enter into contract negotiations with ShuttlePort/DAJA SFO Joint Venture to staff and manage the Airport's Curbside Management Program.
-------------	---

Ms. Alice Sgourakis, Landside Operations explained that staff received authorization to issue an RFP on March 20 to select a contractor to staff and manage the Airport's Curbside Management Program. The RFP was issued on March 28. A pre-proposal conference was held on April 12. The proposals were due on May 11.

Three proposals were received: APCOA/Standard Parking, CDS Net, Inc., and Shuttleport/DAJA SFO Joint Venture.

A selection panel was comprised of individuals from three different airports to review the written proposals and participate in the oral interviews. Airports represented were Denver, Chicago O'Hare and SFO's International Services Division.

The panelists were selected to avoid any perception of bias resulting from local publicity that had been associated with the prior contract.

Copies of the RFP and the proposals were forwarded to the Board of Supervisors for review, and members of the Board of Supervisors were invited to observe the oral interview process. In the end, due to the City's budget matters, no member of the Board attended the orals, however, the process was carefully monitored by the Human Rights Commission and the Airport's Public Affairs staff. The Board of Supervisors was briefed by the Public Affairs staff following the oral interview process.

Based on the scores certified by HRC, Shuttleport/DAJA ranked highest receiving a total score of 545 points, compared with 426 and 414 for APCOA/Standard Parking and CDS Net respectively.

Staff seeks authorization to begin negotiations with Shuttleport/DAJA. If those negotiations are successful, staff will return within 30 to 45 days to recommend contract award.





Commissioner Ito thanked staff for once again doing outstanding work, going above and beyond what is expected.

Commissioner Crayton asked if there were any questions or comments from the Board of Supervisors.

Mr. Martin said that he did not believe Mr. Nardoza received any comments from the Board.

Mr. Julio Bonilla, Lorries Airport Service explained that when the Request for Proposals for the Curbside Management Program first arose in 1999 Lorries was one of two companies expressing support for this program. They felt the Airport patrons experience inside the terminals so often collapses at the curbside because of poaching, solicitation, illicit behavior of drivers and/or curb coordinators.

During the first round they were included as a subcontractor for the original contractor, Shuttleport/DAJA, but were excluded during the second round. They would like to be included again.

They are about to commence negotiations with the union to renew their contract with employees at the curbside this coming August.

In 1993 when the Commission approved the Request for Proposals for two Airport shuttle service agreements, several proposals were submitted and ranked. Lorries ranked highest and SuperShuttle scored second. They were about to receive a contract for those two agreements. However, in an effort to provide an opportunity for other shuttle firms doing business at the Airport to continue to pick up passengers on the upper level they all agreed to a compromise for a third zone, the Yellow Rainbow Zone.

Lorries was given the responsibility of managing the Red Zone and SuperShuttle was given the responsibility of managing the Blue Zone. Although the conglomerate operators told the Commission that they would work as a unit to make the Yellow Rainbow Zone work well, it did not work. It is the operation of that zone that is responsible, in part, for the Airport proceeding with the Airport-wide Curbside Management Program.

Lorries has always been a supporter of the Airport. They would like to be included in the negotiations as a subcontractor for the Red Zone.

Mr. Barry Taranto, United Taxicab Workers hoped the Commission will receive reports on the contractor's performance. He hoped everyone will work together for the success of the program.

He noted that the limousine companies are not represented here today and hoped this was a sign that they know we mean business this time.

He will support staff in this recommendation at the Board of Supervisors.

Mr. Ross Anderson explained that the company he represents, South and East





Bay Shuttle, set up a separate MBE company called San Francisco Coordinators, designed specifically to subcontract the third curb at the Airport, the Rainbow or Yellow Curb. The other two curbs had been subcontracted by Lorries and SuperShuttle.

He asked the Commission to direct staff to consider San Francisco Coordinators as a subcontractor. His client is very concerned about the quality of service at the Yellow Curb. They have lost a substantial volume of traffic. They have spoken with Airport staff about the understaffing and poor staffing and have been proactive about the offer to subsidize, in part, that particular service to the tune of approximately \$250,000.

San Francisco Coordinators believes that the existing contract should be cheaper. With a subsidy the Airport could make it cheaper and more efficient.

This is a complex issue requiring a careful contract with performance criteria.

The Board of Supervisors wanted this service cheaper and he believes they can make it cheaper and better.

Mr. Martin said that he would provide a follow up written report on the subcontracting issue.

Item No. 6 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

6. Rate Adjustment for Public Parking Garages

No. 01-0210	Resolution approving the rate adjustment for public parking garages at San Francisco International Airport.
-------------	---

Mr. Rhoades explained that with an increase of on-Airport and off-Airport parking capacity and an improved understanding of the parking demand characteristics following activation of the new International Terminal Complex, staffing is proposing to make some adjustments in select daily parking rates originally approved by Airport Commission Resolution No. 01-0007.

These adjustments will enhance terminal accessibility and customer convenience and improve utilization of some underutilized facilities, specifically, new International Terminal garages A and G. Under the proposal there would be a slight adjustment in the domestic parking garage rates for the first 24 hours from \$25 to \$28. Most importantly, we will reduce the daily rate in garages A and G from \$35 to \$20. We believe that this will stimulate use of those facilities.

This resolution also authorizes the Director to make selected adjustments for these garages in the future as the economics deem appropriate.

Commissioner Ito asked when the adjustments will be reviewed.



Mr. Martin responded that he receives monthly reports on parking revenues. A report will be prepared for the Commission shortly after Labor Day.

Mr. Barry Taranto, United Taxicab Workers felt that \$4.00 for the first hour was too high and will not discourage people from circling the roadway or trying to park curbside to wait for passengers. This presents a problem for ground transportation operators.

Commissioner Berman hoped that the reduction in fees will be publicized.

Mr. Martin responded that staff has a plan to promote the lower fees.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Approval of Work Order Budgets and Staffing Levels for Other City Departments

No. 01-0211 Resolution approving funding and staffing levels for the airport work order to the other City departments.

Mr. Martin said that about six years ago the Airport entered into formal work order memorandum of understandings with City departments providing services to the Airport. Major updates to the MOUs are in progress and we are working with the City Attorney's Office to insure that all of the work order budgets and payments are in compliance with Federal Revenue Diversion Restrictions and the Lease and Use Agreement restrictions on the use of Airport funds.

This resolution seeks Commission approval of the work order budgets and the level and number of positions in each work order department. It also establishes that Airport staff will need to return to the Commission for any increase in staffing or funding for work order budgets. This will further tighten up the accountability for services being provided to the Airport.

Commissioner Crayton noticed that within some of these arrangements we also provide an opportunity for interns during the summer months. She also asked if the PUC's Light, Heat & Power would be impacted.

Mr. Martin responded that this represents over a 40% increase in our Light, Heat & Power budget from the previous year.

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 8 through 22 and 24 were moved by Commissioner Crayton and seconded by Commissioner Ito. Item 23 was put over. The vote to approve the Consent Calendar was unanimous.



8. Modification No. 4 to Contract No. 5500.5 - Professional Services for Material Testing and Special Inspection - New International Terminal General Construction, Aviation Museum and Main Police Station - Consolidated Engineering Laboratories - \$122,979

No. 01-0212

Resolution approving Modification No. 4 to Contract 5500.5 to the Consolidated Engineering Laboratories contract for professional services covering additional material testing and special inspection for the International Terminal General Construction, Aviation Museum and Main Police Station. This is the final modification covering the remaining outstanding costs.

Funding for this modification will come from budget transfers.

9. Award of Garage Taxi Staging Area Mobile Catering Truck Leases: Lease "A" to A&I Catering - Minimum Annual Guarantee: \$80,100 Lease "B" to Fresh & Natural, Inc. - Minimum Annual Guarantee: \$63,500

No. 01-0213

No. 01-0214

Resolutions awarding the Garage Taxi Staging Area Mobile Catering Truck Lease "A" to A&I Catering and Garage Taxi Staging Area Mobile Catering Truck Lease "B" to Fresh & Natural, Inc., with initial Minimum Annual Guarantees of \$80,100 and \$63,500 respectively

Mr. Barry Taranto, United Taxicab Workers opposed this contract citing that Fresh & Natural is not cooperative. They do not post prices at their truck as other concessions do.

The Commission should receive a report after the first month indicating whether or not they comply.

Mr. Martin said that staff will follow up. He agreed that Fresh & Natural should list their prices.

Mr. Taranto added that staff should also be informed when prices are raised. There needs to be better communication between staff and Fresh & Natural.

10. Modification No. 10 to Airline Liaison Office Agreement - Airport and Aviation Professionals, Inc. - \$930,864

No. 01-0215

Resolution approving Modification No. 10 to the Airline Liaison Office agreement with Airport and Aviation Professionals, Inc. to extend the agreement to June 30, 2002, with additional



11. Modification No. 2 to Contract No. 4279 - On-Call Construction Services for Signs - Vomar Products, Inc. - \$150,000

No. 01-0216                      Resolution approving Modification No. 2 to Contract 4279, On-Call Construction Services for Signs, with Vomar Products, Inc. in the amount of \$150,000. The work is funded from the Airport's Capital Program with no impact on the Master Plan Baseline Budget.

12. Modification No. 8 to Professional Services Contract for Airport Roadway Design Leigh Fisher - \$35,000

No. 01-0217                      Resolution approving Modification No. 8 to Professional Services Contract for Airport Roadway Design Study with Leigh Fisher to extend term to June 30, 2002 and to provide additional compensation of \$35,000.

13. Exercise First One-Year Option for Mobile Catering Truck Lease "A", Millbrae View Lot to A&I Catering

No. 01-0218                      Resolution exercising the first of two-one year option to extend term of A&I Catering's Millbrae View Lot Mobile Catering Truck Lease "A".

14. Exercise First One-Year Option for Mobile Catering Truck Lease "B", Millbrae View Lot to Y&P Catering

No. 01-0219                      Resolution exercising the first of two-one year option to extend term of Y&P Catering's Millbrae View Lot Mobile Catering Truck Lease "B".

15. Bid Call - Contract 4394 - Terminal 2 Renovation - Floors 3 through 6

No. 01-0220                      Resolution approving the scope, budget and schedule for Contract No. 4394, Terminal 2 Renovation - Floors 3 through 6, and authorizing the Director to call for bids when ready.

16. Bid Call - Contract 3846R - Terminal 2 and Other Facilities Fall Protection System





No. 01-0221

Resolution approving the scope, budget, and schedule for Contract No. 3848R, Terminal 2 and other Facilities Fall Protection System, and authorizing the Director to call for bids when ready.

17. Approval of the Semi-Annual Adjustment of the Transportation Fee for the Consolidated Bus System Serving the SFO Rental Car Center

No. 01-0222

Resolution approving the semi-annual adjustment of the transportation fee for the consolidated bus system serving the SFO rental car center and authorizing the rental car companies to implement the adjusted transportation fee effective July 1, 2001.

18. Rate Adjustment for the Airport Shuttle Bus Agreement

No. 01-0223

Resolution approving adjustment to the rate for shuttle bus service for the year commencing January 1, 2001, and authorizing reimbursement to contractor for actual employee benefit costs paid.

19. Contract with the Corporation of the Fine Arts Museums of San Francisco

No. 01-0224

Resolution approving contract for \$160,000 with the Corporation of the Fine Arts Museums of San Francisco (COFAM) for the purpose of providing technical assistance and implementing temporary exhibitions at the San Francisco International Airport for the period July 1, 2001 to June 30, 2003.

20. Contract with the Corporation of the Fine Arts Museums Conservation Laboratory

No. 01-0225

Resolution approving contract for \$70,000 with the Corporation of the Fine Arts Museums (COFAM) Conservation Laboratory for conservation services.

21. Authorization to Issue a Rental Credit to Sun Country Airlines - \$8,000

No. 01-0226

Resolution authorizing the issuance of a rental credit to Sun Country Airlines in an amount not-to-



exceed \$8,000 for the completion of repairs to jet bridge at Gate #16 at Terminal 1.

22. Reimbursement to Host International, Inc. for Services Provided to the ACI-Pacific Conference

No. 01-0227

Resolution approving a reimbursement in the amount of \$6,575 to Host International, Inc. for services provided to the ACI-Pacific Conference.

Item No. 23 was put over.

23. Consent to the Assignment from Cellular One to AT&T Wireless Services

Resolution consenting to the assignment of a space lease for wireless communications equipment from Cellular One to AT&T Wireless.

24. Rescind Contract with Peninsula Corridor Joint Powers Board for Expanded Weekend BX Bus Service and Approve Contract with SamTrans

No. 01-0228

Resolution rescinding Resolution No. 01-0105 approving a contract with the Peninsula Corridor Joint Powers Board for expanded weekend BX Bus Service from Colma BART Station to SFO and approving a contract with SamTrans for the same service.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*



K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:38 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding the settlement of a litigated claim entitled Fiore v City of Millbrae et al, San Mateo Superior Court No. 411009; and, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:45 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:46 A.M.

  
Jean Caramatti  
Commission Secretary



JAN 30 2002

Minutes of the Airport Commission Meeting of  
July 3, 2001SAN FRANCISCO  
PUBLIC LIBRARY

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of June 19, 2001	01-0230	3
D.		ANNOUNCEMENT BY SECRETARY:		3
E.		ITEMS INITIATED BY COMMISSIONERS:		3
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Amendment of On-Airport BART Development Agreement to Permit Reallocation of Funds at Director's Sole Discretion	01-0231	4
	2.	Award Contract for APOE Transmission Electronics and Engineering - Alcatel	01-0232	4-5
	3.	Award Contract 4200 - North Terminal Power Distribution System Improvements - Millard Tong Construction	01-0233	5
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	4.	Investment of Certain Bond Funds	01-0234	5-6
	5.	Award Graphic Design Contract - Flux Design	01-0235	6
	6.	Authorization to Conduct Pre-Proposal Conference For Rental Car Facility Concession Lease	01-0236	6
	7.	Delay Issuance of Final Request for Proposals for Multiple Location Discretionary Store Lease and Hold Over Tan Enterprises, Inc.	01-0237	6
	8.	Consent to Assignment from Cellular One to AT&T Wireless Services	01-0238	6
H.		NEW BUSINESS:		6





I.	CORRESPONDENCE:	7
J.	CLOSED SESSION:	
	Pending Litigation: Aeroground vs CCSF	7
	Potential Litigation	7
K.	ADJOURNMENT:	7



## AIRPORT COMMISSION MEETING MINUTES

July 3, 2001

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Caryl Ito

Absent: Hon. Linda S. Crayton

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 19, 2001 were adopted unanimously.

No. 01-0230

\* \* \*

D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act, Jean Caramatti, Commission Secretary announced the unanimous adoption of Resolution No. 01-0229 regarding the settlement of a litigated claim entitled Fiore v City of Millbrae, et al at the closed session of June 19, 2001.

\* \* \*

### E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.



F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous

1. Amendment of On-Airport BART Development Agreement to Permit Reallocation of Funds at Director's Sole Discretion

No. 01-0231

Resolution approving the amendment of the on-Airport BART Development agreement to permit a reallocation of funds from the BART operating systems budget to the BART fixed facilities budget.

Mr. John Martin, Airport Director explained that this item authorizes him to transfer funds from the BART operating systems budget to the fixed facilities budget to pay for their cost overruns on the fixed facilities on the station.

We will remain within the \$200 million total amount authorized by the Airport Commission. Consent has been obtained regarding this transfer from the Air Transport Association and the airlines.

Item No. 2 was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

2. Award of Contract for APOE Transmission Electronics and Engineering - Alcatel - Not to Exceed \$5.2 million

No. 01-0232

Resolution awarding contract to Alcatel to provide a redundant fiber optic telecommunications transmission system and related engineering for the Airport Alternative Point of Entry (APOE) facility at a total cost not to exceed \$5.2 million.

Ms. Theresa Lee, Deputy Director, Administration said that in June 1998 the Commission authorized construction of the Minimum Point of Entry (MPOE) facility. This established a physical demarcation for communication services, a critical first step for the Airport to achieve control of its infrastructure.

At the same time the Commission directed staff to move forward with an Alternate Point of Entry (APOE) as a back up to MPOE once the International Terminal Complex was complete.

The APOE electronics will provide the Airport with a high level of reinforced diverse routed redundant and continuous services that is unparalleled in the airport community.



The electronics for the APOE will be installed and tested by mid 2002. Although the Human Rights Commission has approved a sole-source waiver and waived the M/WBE requirements, we will work with the contractor and HRC to develop training and employment opportunities for local businesses.

Commissioner Strunsky noted that APOE technology will be more up to date than MPOE and asked if MPOE will be updated once APOE is in place. Ms. Lee responded that MPOE's electronics will be appropriate for at least the next five to seven years. MPOE's upgrade will be part of the planning once APOE is completed.

Item No. 3 was moved by Commissioner Mazzola and seconded by Commissioner Ito. The vote to approve was unanimous

3. Award of Contract No. 4200 - North Terminal Power Distribution System Improvements - Millard Tong Construction Co., Inc. - \$1,523,000

No. 01-0233	Resolution awarding Contract No. 4200, North Terminal Power Distribution System Improvements, to the lowest responsive, responsible bidder, Millard Tong Construction Co., Inc., in the amount of \$1,523,000.
-------------	--

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance said that this item was first presented to the Commission a month ago with a recommendation to award to Millard Tong. At that time, the second low bidder, Bass Electric, protested the award based on Millard Tong's use of a construction management firm to meet the MBE/WBE goal.

Staff consulted HRC regarding this issue and HRC remained firm in its opinion that the use of a construction management firm to meet the M/WBE requirements is appropriate.

\* \* \*

G. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

Commissioner Crayton was recused by unanimous vote from voting on Item No. 8. The Consent Calendar, Item Nos. 4 through 8, was moved by Commissioner Mazzola and seconded by Commissioner Crayton. The vote to approve the Consent Calendar was unanimous

4. Investment of Certain Bond Funds

No. 01-0234	Resolution authorizing the Director to instruct the bond trustee to enter into forward purchase agreements with respect to certain bond funds and
-------------	---





authorizing the Director to execute related representation letters.

Commissioner Strunsky asked what this resolution provides that we don't already have.

Mr. Martin responded that this resolution provides for the ability to enter into a contract for the purchase of investments in advance of those investment instruments being turned over to us. We can lock into what we believe may be a higher investment rate now rather than waiting for three or four weeks when we have the bond proceeds in hand.

Ms. Sheri Errico, Assistant Deputy Director, Finance explained that the policy doesn't give the Director the authority to enter into a forward purchase agreement without the Commission's prior approval.

5. Award of Graphic Design Contract - Flux Design - \$120,000

No. 01-0235                      Resolution awarding the graphic design contract for the annual report to Flux Design in an amount not to exceed \$120,000.

6. Authorization to Conduct Pre-Proposal Conference for Rental Car Facility Concession Lease, A Disadvantaged Business Enterprise Set-Aside

No. 01-0236                      Resolution authorizing staff to conduct a pre-proposal conference for the Rental Car Facility Concession Lease, a Disadvantaged Business Enterprise Set-Aside.

7. Delay Issuance of the Final Request for Bid for the Multiple Location Discretionary Store Lease and Hold Over Tan Enterprises, Inc.

No. 01-0237                      Resolution approving a delay in the issuance of the final request for bids for the North Terminal Multiple Location Discretionary Store Lease, and holding over Tan Enterprises, Inc. on a month-to-month basis.

8. Consent to the Assignment from Cellular One to AT&T Wireless Services

No. 01-0238                      Resolution consenting to the assignment of a space lease for wireless communications equipment from Cellular One to AT&T Wireless.



\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Aeroground, Inc. vs City and County of San Francisco, San Francisco Airport Commission, and John L. Martin; and, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission did not go into closed session.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:12 A.M.

Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



DOCUMENTS DEPT.

OCT - 5 2001

SAN FRANCISCO  
PUBLIC LIBRARY

## MINUTES

July 17, 2001

9:00 A.M.



ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
July 17, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of July 3, 2001	01-0239	3
D.		SPECIAL ITEM:		
	1.	Commendation for the 2000 Recipient of the William R. O'Brien Award for Employee Excellence - Russell Lee	01-0240	3
E.		ITEMS INITIATED BY COMMISSIONERS:		
		National Award to Skidmore, Owings & Merrill		4
F.		POLICY:		
	2.	Airport Green Building Policy Statement	01-0241	4
G.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	3.	Award Contract No. 5601L - Utility Relocations, Phase VIII - JMB Construction	01-0242	5
	4.	Modification No. 8 to Contract 5521A - Boarding Area G Apron Construction, Pavex Construction, A Division of Granite Rock Co.	01-0243	6-7
	5.	Modification No. 11 to Contract 5500CM - Professional Services Contract with SFO Associates, a Joint	01-0244	7
H.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	6.	New Passenger Facility Charge (PFC#2) Application	01-0245	8-9
	7.	Award North Terminal Candy Store Lease - See's Candies, Inc.	01-0246	9
	8.	Award Contract 2084 - New Utility Mains - Northwest Field - JMB Construction	01-0247	9-10





I.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
9.	Amendment of Commercial Paper Resolution	01-0248	10
10.	Modification No. 3 to Contract 5602A - SFIA Employee Parking Facility No. 3 Plot 7 - S.J. Amoroso Construction	01-0249	10
11.	Gift of Artwork for Reflection Center and Purchase of Sculpture for the Plaza Between Garage A and the International Terminal	01-0250	10
12.	Advance Approval to Acquire Grants of Easements For FY 2001-2002	01-0251	10
13.	Consent to Deemed Assignment of Lease and Concession Agreement from J.M.T. Leasing, Inc., dba Thrifty Car Rental, to Thrifty Rent-A-Car System, Inc.	01-0252	11
14.	Proposed Exhibitions Program Schedule	01-0253	11
15.	Shuttle Bus Agreement		11
J.	NEW BUSINESS:		11
K.	CORRESPONDENCE:		11
L.	CLOSED SESSION:		
	Pending Litigation: Aeroground v CCSF, Airport Commission, John L. Martin		12
	Potential Litigation		12
M.	ADJOURNMENT:		12



# AIRPORT COMMISSION MEETING MINUTES

July 17, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton  
Hon. Caryl Ito

Absent: Hon. Larry Mazzola, Vice President

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 3, 2001 were adopted unanimously.

No. 01-0239

\* \* \*

## D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

### 1. Commendation for the 2000 Recipient of the William R. O'Brien Perpetual Award for Employee Excellence - Russell Lee

No. 01-0240 Resolution approving the presentation of the William R. O'Brien Perpetual Award for Employee Excellence to Russell Lee, Project Manager II.

Mr. John Martin, Airport Director said that Russell Lee has been with the City for 27 years, 15 of which have been at the Airport. Mr. Lee has consistently gotten the job done and has promoted good will with other Airport employees. He has been a project manager, most recently on the environmental control program, and led many projects for the Master Plan. Those elements of the Master Plan came in significantly under budget.

Mr. Martin thanked Mr. Lee for his great work and congratulated him on this well



deserved recognition.

Mr. Lee thanked Mr. Martin and the Commission for this award, as well as Jackson Wong, Mel Leong and Sam Mehta for their support. He will continued to work hard to get the job done.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton commented that Skidmore, Owings & Merrill received a national award for their design of the new International Terminal.

\* \* \*

F. POLICY:

Item No. 2 was moved by Commissioner Ito and seconded by Commissioner Strunsky. The vote to approve was unanimous.

2. Airport Green Building Policy Statement

No. 01-0241	Resolution adopting an Airport Green Building Policy Statement concerning implementation of feasible environmentally sustainable practices in design guidelines and construction measures for airport projects.
-------------	---

Mr. Richard Walsh, Associate Deputy Director, Planning said that as an outgrowth of the "Green Airport Plan" submitted to the Director in February 2000 three areas were identified for further action ... air quality, recycling and green building practices.

The Air Quality Program is on-going and includes the Clean Fuel Policy and Alternative Fuel Vehicle Acquisition.

The Airport continues to work with recycling coordinators from San Francisco Solid Waste Management Institute Recycling Initiatives.

The remaining program area requiring action is green building design standards. Approval of the proposed Green Building Policy statement will provide the necessary framework for the Airport to assess and implement resource efficient building measures for Airport projects. These measures will address water and energy conservation, construction and demolition debris management.

\* \* \*

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Ito.



The vote to approve was unanimous.

3. Award Contract No. 5601L - Utility Relocations Phase VIII - JMB Construction Inc. - \$5,886,000

No. 01-0242

Resolution awarding Contract No. 5601L for the last phase of the Utility Relocations project for the near term Master Plan with JMB Construction Inc., in the amount of \$5,886,000. The scope of work includes underground utilities upgrades for the North Cargo Area facilities, miscellaneous cathodic protection, electrical, lighting, and telephone ductbank work not included in previous utility relocations contracts, proper abandonment of utilities, development of Lot CC for employee parking and relocation of central garage ticket issuing machines. Funding will come from the 5601 Master Plan project budget and the Capital Improvement Program.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction explained that this is the final contract for utility relocations for the Near Term Master Plan. The scope encompasses a variety of tasks including underground utility upgrades for the north cargo area, ductbank construction for various electrical utilities, and reconstruction of Lot CC for employee parking.

JMB Construction, Inc. was the only bidder out of a possible 10 contractors who had expressed interest in the project. Five of those contractor's did not bid because they were too busy. Another was unable to bid because the project was too large for his firm and a suitable joint venture partner could not be found.

The bid amount of \$5,886,000 is within the construction budget of about \$6.5 million.

The MBE/WBE subcontracting participation goals were set at 18% and 2% respectively. JMB's subcontracting participation levels are 25.5% MBE and 2.2% WBE. HRC has reviewed the contractor's proposed MBE/WBE participation and has approved it.

Commissioner Crayton asked Mr. Allen if he was aware of any particular issues that would keep contractors from bidding on such a lucrative contract.

Mr. Allen responded that a significant factor might be that this firm was already doing work at the Airport and was familiar with much of the infrastructure to which it would be connecting these utilities.

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The item was approved by a 3-1 vote, with Commissioner Crayton casting the dissenting vote.





4. Modification No. 8 to Contract No. 5521A - Boarding Area G Apron Construction  
Pavex Construction, A Division of Granite Rock Co. - \$5,607,806

No. 01-0243

Resolution approving Modification No. 8 to Contract No. 5521A, Boarding Area G Apron Construction with Pavex Construction, A Division of Granite Rock Co., in the amount of \$5,607,806 for work related to new Airport Administrative Offices, operational and safety enhancements to the International Terminal Building, relocation of BART Link revolving doors, tenant infrastructure and scope transfers from other Master Plan projects. The funding sources are the Capital Improvement Program budget and other Master Plan Projects (5515, 5703, 5520).

Mr. Allen explained that this modification provides for additional task-order work to construct the Airport administrative offices, operational and safety enhancements for the new International Terminal Complex, corrections to the BART link entrance, tenant infrastructure improvements, and scope transfers from other Master Plan projects.

Funding sources include Capital Improvement Program and transfers from other Master Plan projects. The costs for this modification have been included in the cost forecasts presented to the Commission in the Master Plan quarterly reports.

The original MBE/WBE subcontracting goals for this contract were an aggregate of 10% MBE and 6% WBE. The participation levels through this modification will be 8% MBE and 4.3% WBE.

This contract has not been able to sustain its commitment of the original goals because of the change of scope and dollar amount of the previous modifications which did not include enough MBE/WBE subcontractors. The base contract's commitment remains unchanged and working with HRC we will endeavor to achieve the contract goals through the final closeout modification. The contractor and Airport staff will be meeting with HRC this week on this issue.

Commissioner Ito asked why the subcontractor was not certified.

Mr. Allen responded that the contractor was doing some change work in the building and in order to maintain warranties and continuity of the construction many of the subcontractors that were working for Tutor-Saliba were hired by Pavex and they did not happen to be M/WBE certified.

Commissioner Strunsky hoped that in the future this kind of arrangement can be avoided. This contractor started out with an \$18 million competitively bid contract, and the contract is now worth \$63 million. A competitive bid would have helped the price structure and the MBE program.



Mr. Martin agreed that this should not happen again. The largest amount relates to the opening of the new International Terminal.

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

5. Modification No. 11 to Contract No. 5500CM - Professional Services Contract with SFO Associates, A Joint Venture - \$285,000

No. 01-0244	Resolution approving Modification No. 11 to Professional Services Contract No. 550CM with SFO Associates, A Joint Venture of Parsons/AGS Inc./EPC Consultants Inc./Business Development Inc., in the amount of \$285,000 for Program Management oversight on the completion of the Master Plan Projects. The cost of this modification is offset by transfers from administrative budgets and construction management underruns. There is no additional impact to the Master Plan budget.
-------------	---

Mr. Allen explained that Modification No. 11 to Contract No. 5500CM covers the additional cost of program management oversight required to complete remaining punch list and close-out activities for the Master Plan Program projects, including International Terminal Complex, special systems, and AirTrain projects through December 2001. The personnel resources needed for the remaining tasks has been carefully considered and many will be working on a part-time basis.

Funding sources are budget transfers from construction and design contract underruns and do not impact the Master Plan budget.

This modification has been reviewed and approved by the Professional Services Contract Review Committee and the costs have been included in the budget forecast presented to the Commission in the Master Plan quarterly reports.

The City's goals for MBE/WBE subcontracting participation in this contract were 17% MBE and 3% WBE. Through this modification, SFO Associates has achieved participation levels of 18.1% MBE and 4.6% WBE which exceeds the original goals.

Commissioner Strunsky said that SFO Associates has done a fine job and served the Airport well over the past five years.

\* \* \*

H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 6 was moved by Commissioner Ito and seconded by Commissioner Crayton.



The vote to approve was unanimous.

6. New Passenger Facility Charge (PFC#2) Application

No. 01-0245

Resolution authorizing the Director to initiate the process to submit a second Passenger Facility Charge (PFC#2) application to the Federal Aviation Administration (FAA).

Mr. Bob Rhoades, Deputy Director, Business and Finance said that on March 21, 2001 the Airport submitted its first PFC application to the FAA to collect approximately \$113,000,000 beginning October 1, 2001 for eligible project development activities related to runway reconfiguration studies. The FAA has until July 28, 2001 to approve or disapprove this application in whole or in part. If approved in its entirety the PFC collection period is expected to extend through mid 2003.

PFC revenues for this new application would be used as a funding source to pay principle and interest on bonds issued for certain eligible costs associated with the development of the new International Complex, and, to pay for eligible costs for the development and implementation of the Precision Runway Monitoring system.

Airport staff currently estimates that the amount of PFC eligible costs associated with PFC#2 would total approximately \$250 million and that the collections would extend to late 2006 or early 2007.

PFC#2 would provide a well balanced PFC program for SFO ... part airfield and part terminal ... and would allow the Airport to reduce costs for carriers operating from the new International Terminal Complex and help stimulate new international services.

International Services provides significant benefit to the regional economy and the Airport is currently very active in soliciting new foreign flag carriers.

In addition, because the PRM cannot be financed with tax exempt debt like most other airport facilities, the use of PFC revenue for this system would significantly reduce the associated interest carrying cost. The PRM would be eligible for PFC funding if selected by the FAA under the special pilot program to permit cost sharing of air traffic modernization projects.

The Airport is in discussion with the FAA on the selection and should have a determination shortly.

The PFCs can be collected concurrently. There is no rigidity in the sequence of how the money is funded or spent from the PFC collections on the projects identified in #1 or #2.

Commissioner Strunsky asked if this commitment will help or hurt our ability to fund new runway construction.





Mr. Rhoades responded that this will help our efforts because it increases our capacity for financing the runway project by reducing some of our debt load that we are currently carrying.

Commissioner Strunsky said that he does not approve of PFCs in general because it is a disproportionate tax on San Francisco residents and a benefit to the airlines. He voted for PFC#1 which was directed specifically for airfield development. He will concur with PFC#2 based on assurances that this frees up debt capacity, thus allowing us to move ahead with airfield development.

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Award of the North Terminal Candy Store Lease - See's Candies, Inc.  
Minimum Annual Guarantee: \$850,000

No. 01-0246                      Resolution awarding the North Terminal Candy Store Lease to See's Candies, Inc. with a Minimum Annual Guarantee of \$850,000, and approval of month-to-month lease holdover for ABC Cigar.

Mr. Rhoades said that on June 28, 2001 the Airport received three bids for this lease ... See's Candies, Inc., DeLaVe Virgilio and Ethel M. See's Candies submitted the highest bid at \$850,000. HRC and Airport staff have reviewed the paperwork submitted by See's and determined that they have met all of the requirements.

Commissioner Strunsky asked if we are increasing our income.

Mr. Rhoades responded that the previous bid by ABC Cigar was \$624,000.

Mr. Martin added that ABC Cigar was our longest standing retail tenant.

Mr. Rhoades added that ABC Cigar has been at the Airport since 1941. Marsha Givens, President of ABC Cigar was instrumental in bringing See's to the Airport under her candy store lease. Previously See's did not do business at airports.

Her grandfather formed a news and gift stand in the original building in 1941.

Item No. 8 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

8. Award of Contract No. 2084 - New Utility Mains - Northeast Field - JMB  
Construction, Inc. - \$649,930

No. 01-0247                      Resolution awarding Contract No. 2084, New Utility Mains - Northeast Field, to the lowest





responsive, responsible bidder, JMB  
Construction, Inc., in the amount of \$649,930.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance said that this contract will replace water mains that are 40 to 50 years old.

\* \* \*

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 9 through 14, was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous. Item No. 15 was removed from the calendar.

9. Amendment of Commercial Paper Resolution

No. 01-0248 Resolution adopting the fourth supplemental resolution providing for the commercial paper program to allow moneys in the bank payment account to be invested in permitted investments.

10. Modification No. 3 to Contract No. 5602A - SFIA Employee Parking Facility No. 3 Plot 7 - S.J. Amoroso Construction Co. Inc. - \$23,377

No. 01-0249 Resolution approving Modification No. 3 to Contract 5602A, SFIA Employee Parking Facility No. 3 Plot 7 (Attachment A), with S.J. Amoroso Construction Co. Inc., in the amount of \$23,377 for additional work related to Design Revisions. The funding sources are Project Contingencies.

11. Gift of Artwork for the Reflection Center of the International Terminal and Purchase of Sculpture for the Plaza Between Garage A and the International Terminal

No. 01-0250 Resolution concurring with Art Commission proposals to accept a gift of art for the Reflection Center in the International Terminal and purchase a sculpture for the Plaza between the Garage A and the International Terminal.

12. Advance Approval to Acquire Grants of Easements for FY 2001/2002

No. 01-0251 Resolution approving in advance the acquisition of grants of easements for the Airport's Noise Insulation Program pursuant to the supplemental noise funding agreements.



13. Consent to Deemed Assignment of Lease and Concession Agreement from J.M.T. Leasing, Inc., dba Thrifty Car Rental, to Thrifty Rent-A-Car System, Inc.

No. 01-0252                      Resolution consenting to the deemed assignment of lease and concession agreement as a result of the sale of the franchise from franchisee back to the franchisor.

14. Proposed Exhibitions Program Schedule

No. 01-0253                      Resolution approving Exhibitions Schedule for fiscal year 2001-2002.

Commissioner Strunsky said that the list of exhibitions is excellent and well worth making a special trip to the Airport to see.

Commissioner Crayton appreciated the timing of exhibits to specific ethnic events.

Item No. 15 was removed from the calendar.

15. Shuttle Bus Agreement

Resolution adjusting the rate for the shuttle bus service for the year commencing January 1, 2001 and authorizing reimbursement to contractor for actual employee benefit costs paid.

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*



L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:38 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Aeroground, Inc. vs City and County of San Francisco, San Francisco Airport Commission, and John L. Martin; and, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

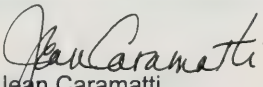
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:55 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:57 A.M.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



DOCUMENTS DEPT.

OCT - 5 2001

SAN FRANCISCO  
PUBLIC LIBRARY

## MINUTES

AUGUST 7, 2001

9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128





Minutes of the Airport Commission Meeting of  
August 7, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of July 17, 2001	01-0254	4
D.		SPECIAL ITEMS:		
	1.	Retirement Resolution - Jess Bevien	01-0255	4
	2.	Retirement Resolution - James Smith	01-0256	5
	3.	Petition for Exemption from the Labor Peace/ Card Check Rule by Aeroground, Inc.	01-0257	5
E.		ITEMS INITIATED BY COMMISSIONERS:		5
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	4.	Modification No. 5 to Contract 5670A - Concourse H/AirTrain Station & North International Parking Garage -Tutor-Saliba	01-0258	5-6
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	5.	Award Contract 4362 - APOE Building - Galliera, Inc. dba Trico Construction	01-0259	7
	6.	Award Contract 4094 - As-needed Pavement Repair and Construction 2000-2001 - Interstate Paving and Grading/M/H/ Construction, A J.V.	01-0260	7
	7.	Reimburse Airline Tenants for Extraordinary Costs Related to Construction of Tenant Improvements in New International Terminal	01-0261	7-8
	8.	Taxi Trip Fee Pass-Through	01-0262	8-9
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	9.	Modification No. 10 to Professional Services Contract 5515.3 - Security & Special Systems -		



	Holmes & Narver	01-0263	9
10.	Modification No. 8 to Contract 5709.1 - AirTrain Road 6 & Rental Car Center Stations	01-0264	10
11.	Authorization to Negotiate Contract with Creegan + D'Angelo Engineers for Seismic Retrofit of Upper Level Viaduct	01-0265	10
12.	Modification No. 4 to Contract 5500S - SFIA Aviation Library, Archive and Museum - Lem/ M.H. Construction, A J.V.	01-0266	10
13.	Modification No. 1 to Contract 3606.2B - Professional Environmental Consulting Services - Science Applications International Corp/Innovative Technical Solutions, Inc., a Joint Association	01-0267	10-11
14.	Modification No. 1 to Contract 7013.2 with the University of California Regents to Study Restoration and Supplementation of San Francisco Bay Pacific Herring and Native Oyster Habitats in the Vicinity of the Runway Reconfiguration Program	01-0268	11
15.	Reject All Bids - Contract 4486R - On-Call Environmental Remediation, Phase IV - Removal and Disposal of Contaminated Soil, Sludge, Water and Other Environmental Work	01-0269	11
16.	Rescind Award to Wayport for High Speed Wireless Internet Master Lease	01-0270	11-12
17.	Authorization to Issue a Request for Proposals for Contract 4497 - Professional Engineering Services - Pavement Consultant	01-0271	12
18.	Amend Bid Requirements and Lease Specifications for North Terminal Concourse Apparel Boutique Lease	01-0272	12
19.	Authorization to Accept Bids for Approval of Lease Specifications, Minimum Qualification and Bid Requirements for the North Terminal Ties, Scarves and Accessories Store Lease	01-0273	12
20.	Reimbursement to SFO Terminal Equipment Company (SFOTEC) for Common Use Terminal Equipment (CUTE) Maintenance Services	01-0274	12-13



21.	Shuttle Bus Service Agreement	01-0275	13
I.	NEW BUSINESS:		
	Pass through		13
	Catering trucks		13
J.	CORRESPONDENCE:		13
K.	CLOSED SESSION:		
	Potential Litigation		13-14
L.	ADJOURNMENT:		14



# AIRPORT COMMISSION MEETING MINUTES

August 7, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton

Absent: Hon. Larry Mazzola, Vice President  
Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of July 17, 2001 were adopted unanimously.

No. 01-0254

\* \* \*

## D. SPECIAL ITEMS:

Item No. 1 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

### 1. Retirement Resolution for Mr. Jess Bevien

No. 01-0255

Mr. John Martin, Airport Director said that Mr. Bevien was with the City for 36 years and 9 months, 27 years of which were with the Airport's Airfield Operations Division. He has an excellent record of serving the safety interests of the Airport.

Mr. Bevien will be missed, but we wish him well in his retirement.

Item No. 2 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.





2. Retirement Resolution for Mr. James L. Smith

No. 01-0256

Mr. Martin said that we are fortunate to have Mr. Smith here today. Mr. Smith has served the City for 27 years and 5 months. Twenty-one plus years have been spent in the Airfield Operations Division.

Mr. Smith has been an inspiration to his fellow employees in his consistent and persistent attention to the safety needs of the Airport.

Mr. Martin thanked him for his service and wished him well in his retirement.

Item No. 3 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

3. Petition for Exemption from the Labor Peace/Card Check Rule by Aeroground, Inc.

No. 01-0257

Mr. Martin explained that the National Mediation Board ruled that Aeroground is covered by the Railway Labor Act and is therefore exempt from the Card Check requirement.

The item before the Commission grants Aeroground's petition for exemption from Card Check.

This ruling will cover other similar service providers at the Airport.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

4. Modification No. 5 to Contract No. 5670A - Concourse H/AirTrain Station & North International Parking Garage - Tutor-Saliba Corporation - \$3,822,083

No. 01-0258

Resolution approving Modification No. 5 to Contract No. 5670A, Concourse H/AirTrain Station & North International Parking Garage,



with Tutor-Saliba Corporation, in the amount of \$3,822,083 for changes related to BART requirements, Airport requirements, AirTrain Operating System requirements and design changes to facilitate construction. The funding sources are contract contingency, BART funding sources and the Airport's up to \$200 million contribution to the BART-SFO Extension Project.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction explained that Modification No. 5 provides for changes related to revisions for BART requirements, to facilitate construction, accommodate AirTrain Operating System requirements and various Airport requirements.

Funding sources include contract contingency (\$2,110,175) , BART funding sources, and the Airport's "up to \$200 million" contribution to the BART-SFO Extension Project.

This modification has been reviewed and approved by the Master Plan Advisory Board and costs have been included in the cost forecasts presented to the Commission in the Master Plan's quarterly reports.

The original MBE/WBE subcontracting goals for this contract were 18% and 3% respectively. Tutor-Saliba was credited with MBE/WBE participation levels of 21.1% and 1.2% respectively and demonstrated sufficient "good faith efforts" to be approved by HRC. This modification provides for 10.8% MBE and 6.5% WBE participation levels that result in cumulative MBE/WBE participation levels of 20.7% MBE and 1.5% WBE that are in line with the contractor's original commitment.

The contract is approximately 96% complete with final completion forecasted for October 2001. Two more modifications including closeout are expected.

Commissioner Strunsky asked if there was anything that we are doing or not doing that would delay BART.

Mr. Allen responded that we have done everything we can to accommodate BART. They have access to some of the equipment rooms they need. They are laying track up on the deck inside the station. BART is making good progress.

Commissioner Crayton asked for the completion date.

Mr. Allen responded that completion is scheduled for October 2001.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.



5. Award Contract 4362 - APOE Building - Galliera, Inc., dba Trico Construction - \$2,582,254

No. 01-0259 Resolution awarding Contract 4362, APOE Building, to the lowest, responsive, responsible bidder, Galliera, Inc., dba Trico Construction, in the amount of \$2,582,254.

Commissioner Strunsky asked when completion was expected.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance responded that the contract will take 170 days.

Item No. 6 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

6. Award Contract 4094 - As-Needed Pavement Repair and Construction 2000-2001 - Interstate Paving and Grading/M.H. Construction, A Joint Venture - \$1,788,300

No. 01-0260 Resolution awarding Contract 4094, As-Needed Pavement Repair and Construction 2000-2001, to the lowest responsive, responsible bidder, Interstate Paving and Grading/M.H. Construction, A Joint Venture, in the amount of \$1,788,300.

Mr. Eavis explained that this is our annual as-needed contract for emergency pavement repair of taxiways and runways.

Item No. 7 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

7. Reimbursement to Airline Tenants for Extraordinary Costs Related to Construction of Tenant Improvements in New International Terminal - \$4,500,000

No. 01-0261 Resolution authorizing reimbursement to airline tenants, in an aggregate amount not to exceed \$4,500,000, for extraordinary costs related to the construction of tenant improvements in the New International Terminal.

Mr. Bob Rhoades, Deputy Director for Business and Finance explained that similar to previous resolutions approved by the Commission to reimburse food and beverage and retail tenants for extraordinary costs associated with tenant build out in the new International Terminal, this resolution seeks approval to reimburse airlines for like extraordinary work in an amount not to exceed \$4,500,000.





These costs are directly or indirectly related to challenges associated with completion of the base building and fall generally within three categories ... (1) extraordinary costs associated with concurrent work with the base building construction; (2) site conditions requiring work that would be beyond what is normally anticipated such as long distance wire poles and transformers; and, (3) site conditions where the base building design and construction impose costs beyond those that can be reasonably anticipated by the tenant.

Earlier this year we had estimated that the costs associated with airline construction would be \$5.3 million. We now believe that \$4.5 million will cover it, and, after final review, we believe that it will come in under \$4 million.

Commissioner Strunsky asked about the funding source.

Mr. Rhoades responded that it will come from commercial paper.

Mr. Rhoades added that parameters were established for reimbursement. Reimbursements are based on receipted invoices that must fall within those established parameters. Tenants submitting invoices for costs beyond what we believe is reasonable will not be reimbursed.

Item No. 8 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous.

8. Taxi Trip Fee Pass-Through

No. 01-0262	Resolution urging the San Francisco Board of Supervisors to authorize a \$2 taxi fare surcharge on taxi rides from San Francisco International Airport.
-------------	---

Mr. Peter Nardoza, Deputy Director, Public Affairs explained that the genesis of this item is the Director's and staff's very strong concern that there be maximum cab service available to our passengers. In the past we have experienced days where there have not been sufficient cabs to meet passenger needs.

This pass through will encourage drivers to work the Airport route more often and provide the service we need.

The San Francisco Board of Supervisors passed a resolution urging the Airport Commission to undertake this action. Should the Airport Commission agree, staff will return to the Board for their final approval of the pass through.

Mr. Nardoza explained that today the driver pays the Airport \$3.25 per trip out of his or her pocket. The plan is to raise the fee to \$4.00 but then to allow the driver to pass \$2.00 on to the cab rider. We hope to implement the fee simultaneously with the pass through.

Mr. Nardoza added that this will enable the Airport to more closely match the





cost of running the cab operation. This is only cost recovery, it is not a profit making endeavor.

Mr. Barry Taranto, United Taxicab Workers said that this day has been two years in coming and he is delighted.

Mr. Taranto read a paragraph from their newsletter:

"San Francisco International Airport keeps the only hard figures currently available on taxi usage. They show that the first half of the year there were 50,000 fewer taxi exits compared to the same period last year. That is a decline of about 6%. On a per cab basis, taking into account the 100 taxis that have been added in the past year, the fall off is 13% and it has gotten worse from month to month. This June alone there were a whopping 24% fewer exits than in June of last year. A per cab decline of 20%."

The Airport has not been a money making opportunity for cabs as it has been in the past. The waits have been longer. There has not been a time in the past month when there has not been a cab available for a passenger.

This pass through will be an incentive to make sure that the service is there, at least through the end of the year. Before the trip fee is raised, the cab drivers should enjoy this pass through for a period of time.

San Francisco International Airport is the only major airport that actually charges the full fee to the driver.

He asked that the raise to \$4.00 be done on a gradual basis, perhaps in 25 cent increments. He also asked the Commission to request the Board of Supervisors to increase the pass through when the trip fee is raised.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 9 through 21, was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

9. Modification No. 10 to Professional Services Contract No. 5515.3 - Security & Special Systems - Holmes & Narver - \$200,000

No. 01-0263

Resolution approving Modification No. 10 to Contract No. 5515.3, Security & Special Systems Professional Service Agreement with Holmes & Narver, in the amount of \$200,000 increasing the basic Professional Service fee to provide Engineering Services for the Security and Special Systems projects. Funding for the services will be provided from the Airport's Capital Improvement Program (CIP) Budget.



10. Modification No. 8 to Contract No. 5709.1 - AirTrain Road 6 and Rental Car Center Stations - Murokami Associates - \$55,000

No. 01-0264                      Resolution approving Modification No. to Contract 5709.1, AirTrain Road 6 and Rental Car Center Stations Professional Services Agreement with Murokami Associates for an increase to basic Professional Services fees in the amount of \$55,000 to provide Architectural and Engineering Services. Funding for the services will be provided from the project budget and from the Capital Improvement Program (CIP) Budget, with no impact on the Master Plan Baseline Budget.

11. Authorization to Negotiate a Contract with Creegan + D'Angelo Engineers for the Seismic Retrofit of the Upper Level Viaduct

No. 01-0265                      Resolution authorizing staff to negotiate a contract with Creegan + D'Angelo Engineers for the seismic retrofit of the Upper Level Viaduct.

Commissioner Strunsky asked why CalTrans is pulling out of the work.

Mr. Eavis responded that they are not pulling out of the work. They hired the designer for the contract. Now that it has been designed and is ready to go into construction, they do not follow through on construction management. We want to hire the same company, but they will pay for it.

12. Modification No. 4 to Contract No. 5500S - SFIA Aviation Library, Archive and Museum - Lem/M.H. Construction, A Joint Venture - \$591,000

No. 01-0266                      Resolution approving Modification No. 4 to Contract 5500S, SFIA Aviation Library, Archive and Museum, with Lem/M.H. Construction, A Joint Venture, in the amount of \$591,000, for design changes to facilitate construction and unanticipated conditions. Funding will be provided by CIP budget transfer.

13. Modification No. 1 to Contract No. 3606.2B - Professional Environmental Consulting Services - Science Applications International, Corp./Innovative Technical Solutions, Inc., A Joint Association - \$342,000

No. 01-0267                      Resolution approving Modification No. 1 to Contract 3606.2B, Professional Environmental Consulting Services, with Science Applications



International, Corp/Innovative Technical Solutions, Inc. a Joint Association, in the amount of \$342,000.

14. Modification No. 1 to Contract No. 7013.2 with the Regents of the University of California for the Study of Restoration and Supplementation of San Francisco Bay Pacific Herring and Native Oyster Habitats in the Vicinity of the Runway Reconfiguration Program - \$250,000

No. 01-0268                      Resolution approving Modification No. 1 to Contract No. 7013.2 with the Regents of the University of California to increase compensation in an amount not to exceed \$250,000 and to provide additional environmental studies of habitat restoration and supplementation for San Francisco Bay Pacific Herring and Native Oyster.

15. Reject All Bids - Contract No. 4486R - On-Call Environmental Remediation, Phase IV - Removal and Disposal of Contaminated Soil, Sludge, Water and Other Environmental Work

No. 01-0269                      Resolution rejecting all bids for Contract 4486R, On-Call Environmental Remediation, Phase IV, Removal and Disposal of Contaminated Soil, Sludge, Water and Other Environmental Work.

Commissioner Berman called on Tim Bennett and Daniel Herbst, both of Jonas and Associates, but they were not present to address the Commission.

16. Rescind the Award to Wayport for High Speed Wireless Internet Master Lease

No. 01-0270                      Resolution rescinding the award of the High Speed Wireless Internet Master Lease to Wayport.

Commissioner Crayton asked if we had controls in place that would have prevented this?

Mr. Rhoades responded that this lease was actually awarded last year to Aerzone during the height of the telecommunications boom. They subsequently disappeared.

We went back to Wayport, the second highest bidder.

The economics they talked about at that time were quite different than what it is now. That is why they were unable to fulfill the terms.



Commissioner Strunsky asked if we are providing enough potential connection locations.

Mr. Rhoades responded that we provide the plug-in capability throughout the terminal complex. To this point we haven't received any complaints about a lack of them.

Mr. Martin added that a high percentage of pay phones have plug-in devices.

Mr. Rhoades said that he would follow up with the Commission regarding electrical outlets near the phones.

17. Authorization to Issue a Request for Proposals for Contract No. 4497 Professional Engineering Services - Pavement Consultant

No. 01-0271 Resolution approving the scope, budget, and schedule for Contract No. 4497, Professional Engineering Services - Pavement Consultant, and authorizing the Director to request qualifications and proposals.

18. Amend Bid Requirements and Lease Specifications for North Terminal Concourse Apparel Boutique Lease

No. 01-0272 Resolution authorizing amendment to the Bid Requirements by withdrawing the Disadvantaged Business Enterprise (DBE) Set-Aside Qualification, amending the Lease Specifications by reducing the minimum investment amount, and extending the bid submittal deadline.

19. Authorization to Accept Bids for Approval of Lease Specifications, Minimum Qualification and Bid Requirements for the North Terminal Ties, Scarves, and Accessories Store Lease

No. 01-0273 Resolution approving lease specifications, minimum qualifications and bid requirements, and authorizing staff to accept bids for the North Terminal Ties, Scarves, and Accessories Store Lease.

20. Reimbursement to SFO Terminal Equipment Company (SFOTEC) for Common Use Terminal Equipment (CUTE) Maintenance Services \$247,950

No. 01-0274 Resolution approving a reimbursement to SFO





Terminal Equipment Company (SFOTEC) for  
Common Use Terminal Equipment (CUTE)  
Maintenance Services SFOTEC at a total cost  
not to exceed \$247,950.

21. Shuttle Bus Service Agreement

No. 01-0275

Resolution rescinding Commission Resolution  
No. 01-0223 and approving the attached  
resolution to adjust the basic hourly and  
incremental billing rates for shuttle bus service for  
the year commencing January 1, 2001.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Barry Taranto, United Taxicab Workers thanked the Commission for approving the pass through. He said that the differences can be worked out later.

He reported that Fresh & Natural is now posting prices and they are doing a much better job. He hoped the drivers would be notified if prices are raised.

He thanked the Commission and staff for making sure that top notch food service is available in the garage area.

He also hoped that they will receive advance notice of the management contract for the short term parking garage before it comes to the Commission.

Commissioner Strunsky asked Mr. Taranto if he knew about the reimbursement situation with other cities.

Mr. Martin responded that staff has the survey data.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:



The Airport Commission did not go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

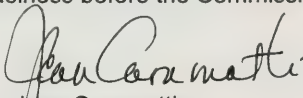
The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:40 A.M.



Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



DOCUMENTS DEPT.


OCT - 5 2001

SAN FRANCISCO  
PUBLIC LIBRARY

## MINUTES

AUGUST 21, 2001

9:00 A.M.

 ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
August 21, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of August 7, 2001	01-0276	3
D.		ITEMS INITIATED BY COMMISSIONERS:		
E.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	1.	Modification No. 3 to Contract 5700B - AirTrain Guideway, Westside - Tutor-Saliba	01-0277	3-4
	2.	Modification No. 5 to Contract 5700A - AirTrain Guideway, East Loop - Tutor-Saliba	01-0278	4
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Award Contract 4378 - Wastewater Treatment Plant Expansion - S.J. Amoroso Construction	01-0279	4
	4.	Award Contract 3479 - Taxiways A and B Reconstruction, and Taxiway F Extension - Granite Rock Co., dba Pavex Construction		4
	5.	Award Contract to Operate Curbside Management Program - ShuttlePort/DAJA Joint Venture	01-0280	5
	6.	Award Contract to Polaris/TRG Joint Venture to Staff and Manage the Airport Information Booth	01-0281	5
	7.	Approve Short List of Consultants for As-needed Airport Planning, Environmental Planning and/or Environmental Technical Services	01-0282	5
	8.	Supplemental Appropriation of Passenger Facility Charge Revenue to Reimburse the Revenue Bond Account	01-0283	5
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		





9.	Modification No. 7 to Professional Services Contract No. 5600CM - Construction Management Services for the International Terminal Parking Garages, Concourse H/Airport BART Station and Rental Car Facility	01-0284	6
10.	Modification No. 5 to Professional Services Contract 5706 - AirTrain Domestic Terminal Stations - Kwan Henmi Architecture & Planning	01-0285	6
11.	Award Contract 3842 - North Terminal Boarding Areas E and F Carpet Replacement - Resource & Design, Inc.		6-7
12.	Award Contract 4355 - West Field Cargo Building 648, 2 <sup>nd</sup> and 3 <sup>rd</sup> Floor Corridor/Core Improvements - Resource & Design, Inc.	01-0286	7
13.	Authorization to Issue Two Request for Proposals For the Graveyard Shift Shuttle and Neighborhood Shuttle Components of the Airport's SFO- Southeast San Francisco Job Link Project	01-0287 01-0288	7
14.	Amended Monthly Fees for Commercial Aircraft Parking	01-0289	7
15.	Modification No. 5 to Professional Legal Services Agreement with Remy, Thomas & Moose	01-0290	7
16.	Bid Call - Contract 8036 - On-Call Runway Rubber Removal, 2001-2003	01-0291	7-8
17.	Rental Credit to Harbor Airport, LLC for Catering An International Terminal Reception	01-0292	8
H.	NEW BUSINESS:		
	CalStar Retail, Inc.		8
I.	CORRESPONDENCE:		8
J.	CLOSED SESSION:		
	Pending Litigation: Dillingham		8-9
K.	ADJOURNMENT:		9



# AIRPORT COMMISSION MEETING MINUTES

August 21, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:

Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Caryl Ito

Absent:

Hon. Henry E. Berman, President  
Hon. Linda S. Crayton

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 7, 2001 were adopted unanimously.

No. 01-0276

\* \* \*

## D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito complimented staff on the Tenant Diversity reception.

\* \* \*

## E. ITEMS RELATING TO MASTER PLAN PROJECTS:

1. Modification No. 3 to Contract No. 5700B - Air Train Guideway, Westside Tutor-Saliba Corporation - \$3,347,287

No. 01-0277

Resolution approving Modification No. 3 to Contract 5700B, AirTrain Guideway, Westside, with Tutor-Saliba Corp., in the amount of \$3,347,287 for Airport-initiated changes, AirTrain operating system requirements, airline operations-related changes, BART requirements, unforeseen site conditions, design changes to facilitate construction, time related impacts and



final reconciliation of contract adds and deducts. This is the final contract close-out modification. Funding sources are budget transfers from other Master Plan projects.

2. Modification No. 5 to Contract No. 5700A - AirTrain Guideway, East Loop Tutor-Saliba Corporation - \$1,287,745.28

No. 01-0278

Resolution approving Modification No. 5 to Contract 5700A, AirTrain Guideway, East Loop, with Tutor-Saliba Corp. in the amount of \$1,287,745.28 for Airport-initiated changes, unforeseen site conditions, design changes to facilitate construction, time-related impacts and final reconciliation of contract adds and deducts. This is the final contract close-out modification. The funding source is budget transfers from other Master Plan projects.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

3. Award of Contract No. 4378 - Wastewater Treatment Plant Expansion S.J. Amoroso Construction Co., Inc. - \$41,117,600

No. 01-0279

Resolution awarding Contract 4378, Wastewater Treatment Plant Expansion, to the lowest responsive, responsible bidder, S.J. Amoroso Construction Co., Inc., in the amount of \$41,117,600.

Item No. 4 was removed from the calendar.

4. Award of Contract No. 3479 - Taxiways A and B Reconstruction, and Taxiway F Extension - Granite Rock Company, dba Pavex Construction - \$8,947,395

Resolution awarding Contract 3479, Taxiways A and B Reconstruction and Taxiway F Extension, to the lowest responsive, responsible bidder, Granite Rock Company, dba Pavex Construction, in the amount of \$8,947,395.

Item No. 5 was put over to the end of the meeting.

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.



5. Award of Contract to Operate the Curbside Management Program - ShuttlePort/DAJA SFO Joint Venture - \$5,983,000

No. 01-0280

Resolution awarding contract to ShuttlePort/DAJA SFO Joint Venture to operate the Curbside Management Program for one-year commencing October 2001 and up to four additional one-year operations at an annual cost for the first year not-to-exceed \$5,983,000.

Mr. Julio Bonilla, Lorries expressed concern that since their drivers should be paid at the same rate as the Super Shuttle drivers.

Mr. Dan Lynch, Local 665, expressed concern that employees will be laid off as a result of this award.

Horace McCarter, ShuttlePort/DAJA responded that the drivers would be taken care of per the worker retention policy.

Mr. Barry Taranto, United Taxicab Workers said that ShuttlePort/DAJA had been doing a good job.

6. Award of Contract to Polaris/TRG Joint Venture to Staff and Manage the Airport Information Booth

No. 01-0281

Resolution awarding a contract to Polaris/TRG Joint Venture to staff and manage the Airport's Information Booth Program for one year, with up to four one-year renewal options at an annual cost for the first year commencing September 15, 2001 not-to-exceed \$1,750,000.

7. Approval of Short List of Consultants for As-needed Airport Planning, Environmental Planning and/or Environmental Technical Services

No. 01-0282

Resolution approving a Short List of Consultants for As-needed Airport Planning, Environmental and/or Environmental Technical Services.

8. Supplemental Appropriation of Passenger Facility Charge Revenue to Reimburse the Revenue Bond Account - \$244,757,735

No. 01-0283

Resolution approving a supplemental appropriation of Passenger Facility Charge (PFC#2) revenue in the amount of \$244,757,735 to reimburse the revenue bond account.





G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 9 and 10 and 12 through 17 were moved by Commissioner Ito and seconded by Commissioner Strunsky. The vote to approve was unanimous.

9. Modification No. 7 to Professional Services Contract No. 5600CM Construction Management Services for the International Terminal Parking Garages, Concourse H/Airport BART Station and Rental Car Facility - \$850,000

No. 01-0284

Resolution approving Close-out Modification No. 7 of Professional Services Contract 5600CM, Construction Management Services for the International Terminal Parking Garages, Concourse H Airport BART Station Rental Car Facility with TTC Associates, a Joint Venture of Turner Construction Company/The Allen Group/ CPM Services, in the amount of \$850,000. This modification is for continued construction management services through completion and close-out of the Concourse H/Airport BART Station and North International Parking Garage construction contract. The funding sources are Capital Improvement Project funds, the Airport's "up to \$200 million" contribution to the BART-SFO Extension Project and Budget Transfer, with no impact to the Master Plan Baseline Budget.

10. Modification No. 5 to Professional Services Contract No. 5706 - AirTrain Domestic Terminal Stations - Kwan Henmi Architecture and Planning - \$85,000

No. 01-0285

Resolution approving Modification No. 5 to Professional Services Contract 5706, AirTrain Domestic Terminal Stations with Kwan Henmi Architecture and Planning, by increasing the basic professional services fees in the amount of \$85,000 to provide full architectural and engineering services for additional scope of work items. Funds are available in the existing project budget with no impact to the Master Plan Baseline Budget.

Item No. 11 was removed from the calendar.

11. Award of Contract No. 3842 - North Terminal Boarding Areas E and F Carpet Replacement - Resource & Design, Inc. - \$1,243,300

Resolution awarding Contract 3842, North



Terminal Boarding Areas E and F Carper Replacement, to the lowest responsive, responsible bidder, Resource & Design, Inc., in the amount of \$1,243,300.

12. Award of Contract No. 4355 - West Field Cargo Building 648, 2<sup>nd</sup> and 3<sup>rd</sup> Floor Corridor/Core Improvements - Resource & Design, Inc. - \$468,300

No. 01-0286 Resolution awarding Contract 4358, West Field Cargo Building 648 2<sup>nd</sup> and 3<sup>rd</sup> Floor Corridor/Core Improvements, to the lowest responsive, responsible bidder, Resource & Design, inc., in the amount of \$450,000.

13. Authorization to Issue Two Request for Proposals for the Graveyard Shift Shuttle and the Neighborhood Shuttle Components of the Airport's SFO-Southeast San Francisco Job Link Project

No. 01-0287 Resolutions authorizing issuance to two Request  
No. 01-0288 for Proposals (RFP) for the SFO-Southeast San Francisco Job Link Project. One RFP will solicit proposals for the Graveyard Shift Shuttle component of the project. The second RFP will solicit proposals for the Neighborhood Shuttle component.

14. Amended Monthly Fees for Commercial Aircraft Parking

No. 01-0289 Resolution amending the monthly commercial aircraft parking rates.

15. Modification No. 5 to Professional Legal Services Agreement with Remy, Thomas & Moose

No. 01-0290 Resolution approving Modification No. 5 to Professional Legal Services Agreement with Remy, Thomas & Moose to increase compensation by the amount of \$500,000; all terms and conditions of the contract to remain in full force and effect.

16. Bid Call - Contract No. 8036 - On-Call Runway Rubber Removal, 2001-2003

No. 01-0291 Resolution approving the scope, budget, and schedule for Contract No. 8036, On-Call Runway



Rubber Removal, 2001-2003, and to authorize the Director to call for bids when ready.

17. Rental Credit to Harbor Airport, LLC for Catering an International Terminal Reception

No. 01-0292

Resolution approving a rental credit to Harbor Airport LLC in the amount of \$6,283.63 for providing catering services for a reception for the opening of the International Terminal.

\* \* \*

H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Don Solem, Solem & Associates, addressed the Commission on CalStar Retail, Inc. (see attachment.)

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:35 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Dillingham vs City and County of San Francisco et al, San Mateo Superior Court No. 416236; and, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.




The Commission reconvened its public session at 10:10 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:17 A.M.



Jean Caramatti  
Commission Secretary





# SOLEM & ASSOCIATES

Public Relations and Public Affairs

550 Kearny Street, Suite 1010  
San Francisco, CA 94108  
415/788-7788 • fax 415/788-7858  
e-mail: [solem@solem.com](mailto:solem@solem.com)

August 21, 2001

## VIA HAND DELIVERY

John L. Martin  
Airport Director  
San Francisco International Airport  
San Francisco, CA 94128

Dear Mr. Martin:

This letter responds to your July 20, 2001 and subsequent August 10, 2001 correspondence to our client, CalStar Retail, Inc. (CalStar). I have enclosed this correspondence for your convenience. As you surely know, the discussions that you promised in your July 20 letter were never held and the Airport initiated litigation against my client with no attempt to resolve your concession fee dispute through negotiation. As a small business and disadvantaged business enterprise (DBE), CalStar believes strongly that the Airport has acted against it unnecessarily.

Please know that it has been, and still is, CalStar's sincere desire to engage in substantive talks with San Francisco International Airport (SFO) staff and attorneys to arrive at an equitable resolution to the present dispute regarding concession fees. My client asserts that the lawsuit filed by the Airport on August 7, 2001 was unjustified given her offer to put funds into an escrow account and enter into a standstill agreement to allow for substantive negotiation.

At the heart of this dispute is the Airport's failure to acknowledge the myriad and much-documented problems associated with its new International Terminal. The protracted delays in the opening of the new terminal, the limited flight and human traffic, its layout, limited hours of operation and the delay in opening of the BART station and AirTrain all have contributed materially to monetary damages incurred by CalStar and other concessionaires. All of these factors are beyond CalStar's control, yet our client is being asked to pay a steep price for the International Terminal's shortcomings. It is ironic that the smaller companies and DBEs, such as CalStar, that the Airport actively courted, are now being ousted because of a poor retail climate beyond their control.

The actions of the Airport in this regard are unfair and, we believe, arbitrary. This treatment of CalStar, a successful and longtime Airport concessionaire, is undeserved and sends the wrong message to other businesses at the Airport where settlement of business disagreements is concerned.



Following are some of the more salient issues in the current dispute between CalStar and the Airport.

- In correspondence from you dated July 20 (also enclosed), you agreed to a "face-to-face discussion" between Deputy Airport Director, Bob Rhoades and CalStar principals. This meeting simply did not occur through no fault of CalStar. Further, contrary to your subsequent letter of August 10, the Airport's legal counsel has not held substantive discussions or negotiations with CalStar.
- The Airport suggests that CalStar has not made its lease payments. This is a misnomer because CalStar's remuneration is accurately termed by the Airport as concession fees whereby a certain retail climate is understood. Airport officials will be hard pressed to prove that they have provided an adequate concession climate at SFO's new International Terminal given the business and legal troubles it is having with other business entities.
- The Airport asserts that CalStar's predicament is the result of its high minimum annual guarantee (MAG) offer to the Airport. This argument is hollow as CalStar can demonstrate that even the lowest bidder could not survive the difficult retail climate at SFO's new International Terminal.
- We know the Airport is providing assistance to some concessionaires. CalStar has not been apprised of such a program or the criteria by which assistance is allocated. Singling out only some concessionaires for special treatment seems arbitrary and unfair to CalStar.
- Delays in the opening of the International Terminal and the BART extension have far exceeded timetables laid out in the bid package for this concession. BART is now projected to open in 2003 and this has a disproportionately negative impact on CalStar, as several of its retail locations are particularly situated to serve BART passengers arriving at SFO. Financial and retail traffic projections shared at the New International Terminal Concessions Opportunities Informational Seminar were off by approximately 40 percent. Poor signage and inactive gates also have exacerbated problems facing vendors at the airport.
- SFO's access to federal money is partially linked to maintaining sufficient DBE participation at the airport. The Airport's efforts to expel rather than assist CalStar, one of the largest DBEs at SFO, coupled with recent actions against other concessionaires may put some federal funding in jeopardy.

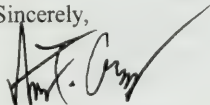
CalStar is a woman-owned, federally-designated disadvantaged business enterprise (DBE) that employs more than 60 people at 11 retail stores at San Francisco International Airport (SFO). CalStar has been a successful concessionaire partner of the airport since 1993. Its President and CEO, Pam Del Duca, is a nationally acclaimed businesswoman who has received numerous awards for her enterprises, solid business practices and commitment to employees. (See attached.)



The financial troubles facing CalStar and other SFO concessionaires are not of their own creation, but the result of a widely acknowledged, dismal retail climate at the International Terminal. We urge the Airport to treat CalStar fairly and with integrity. We urge that good faith negotiations commence at once, under a standstill agreement, to break the current impasse and obviate the need for litigation.

If this stalemate continues, CalStar will be left with no alternative than to identify other forums in which to air its legitimate grievances.

Sincerely,



Andrew T. Gregg  
Vice President  
Public Affairs

CC: The Honorable Dianne Feinstein  
The Honorable Barbara Boxer  
The Honorable Nancy Pelosi  
The Honorable Tom Lantos  
The Honorable Norm Mineta  
The Honorable Willie L. Brown, Jr.  
The Honorable Members of the San Francisco Board of Supervisors  
The Honorable Members of the San Francisco Airport Commission

Enclosures



San Francisco International Airport

P.O. Box 8097  
San Francisco, CA 94128  
Tel 650.821.5000  
Fax 650.821.5005  
www.sfo.sfo.com

July 20, 2001

By Fax (415-543-5472)  
Oliver L. Holmes, Esq.  
Sonnenschein Nath & Rosenthal  
685 Market Street, 6<sup>th</sup> Floor  
San Francisco, CA 94105

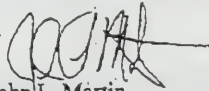
Re: SFO/CalStar - Meeting Proposal

Dear Mr. Holmes:

Thank you for your letter of July 19, 2001. We agree that a "face-to-face discussion" with the CalStar principals could be helpful. Unfortunately, I will be out of town for two weeks. Given the urgency of this matter, however, I will direct Deputy Airport Director Bob Rhoades to meet with you next week and to give this matter his full attention. Please advise of your availability on Thursday July 26 or Friday July 27. As we assume CalStar would like to have counsel present, we will arrange to have our counsel present as well.

Please contact Deputy City Attorney Adrienne Go (650-821-5077) to arrange a time for this meeting.

Very truly yours,

  
John L. Martin  
Airport Director

cc: Bob Rhoades, Deputy Airport Director

AIRPORT  
COMMISSION  
CITY AND COUNTY  
OF SAN FRANCISCO  
WILLIE L. BROWN, JR.  
MAYOR  
HENRY E. SERVELIN  
PRESIDENT  
LARRY MAZZOLA  
VICE PRESIDENT  
CHUCK L. STRUNK  
UNDA L. CRAYTON  
CARYL ITD

JOHN L. MARTIN  
AIRPORT DIRECTOR





San Francisco International Airport

P.O. Box 8097  
San Francisco, CA 94128  
Tel 650.794.5000  
Fax 650.794.5005  
www.flysfo.com

August 10, 2001

VIA FACSIMILE AND FIRST-CLASS MAIL  
(602) 956-9700

Ms. Pam Del Duca  
President & CEO  
CalStar Retail, Inc.  
5060 N. 40<sup>th</sup> Street, Suite 200  
Phoenix, AZ 85018-2144

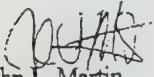
Dear Pam:

I understand you would like to speak with me regarding certain matters related to CalStar's leases here at SFO.

Whenever the Airport is in litigation, it is my practice to communicate through counsel. If you are interested in speaking with me about any matter possibly related to the current unlawful detainer litigation, including any matter related to the newsstands in the International Terminal or the newsstand in the North Terminal concourse, please direct your communication through counsel. I understand that your lawyer, Mr. Holmes, and the Airport's lawyer, Harold McElhinny, have been in frequent communication.

If your call relates to a matter completely unrelated to the litigation, I would appreciate it if you would follow the Airport's normal procedures; i.e., please contact the project manager assigned to your account, Ms. Gigi Ricasa of the Airport's Concession Development & Management Division (650-821-4500). She will liaise with you and, as necessary or appropriate, will discuss any issues you may have with Airport staff. If Ms. Ricasa is unable to resolve an issue to your satisfaction, please contact Deputy Director Bob Rhoades (650-821-5035).

Very truly yours,

  
John L. Martin  
Airport Director

cc: Gigi Ricasa



Pam Del Duca,  
President, CalStar Retail, Inc.

**Awards and  
Honors:**

- ☆ America's Top 500 Women-Owned Businesses, *Working Woman's Magazine*
- ☆ Top 10 Who's Who of Women Business Owners, *Today's Arizona Woman*
- ☆ Best of America Award, *Dun & Bradstreet*.
- ☆ Design 100 Spirit Award, *Metropolitan Home*
- ☆ Western Roundtable of Chief Executive Officers, *Business Week*
- ☆ National "Socially Responsible" Entrepreneur of the Year, *Ernst & Young*
- ☆ Women Who Make a Difference Award, *International Women's Forum*
- ☆ Merchandising Achievement Award, *Gifts and Decorative Accessories Magazine*
- ☆ "Retail" Entrepreneur of the Year, *Ernst & Young*
- ☆ National Small Business Person of the Year (1 of 3), *U.S. Small Business Administration*
- ☆ Co-Chair, Rules Committee, White House Conference on Small Business
- ☆ Blue Chip Enterprise Award
- ☆ Best News and Gifts Operator, *Airport Retail News*
- ☆ Phoenix Urban League Humanitarian Award

**Professional  
and Civic  
Organizations:**

- ☆ World Presidents' Organization
- ☆ International Women's Forum
- ☆ National Association of Women Business Owners
- ☆ American Association of Airport Executives
- ☆ Airport Minority Advisory Council

**Publications  
Featured In:**

Working Woman, Minority Business Entrepreneur, Inc., Airport Retail News, Cosmopolitan, Gifts and Decorative Accessories, Corporate Meetings and Incentives, Gifts and Stationary Business, Metropolitan Home, Personnel Journal, Nation's Business, Arizona Business Journal, L'essential Du Management, Alaska Airlines Magazine, Chain Store Age Executive, Mirabella, Niche Magazine, Independent Business, The Arizona Republic and The Tribune.



# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

September 4, 2001

9:00 A.M.

 ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**  
**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

DOCUMENTS DEPT.

SEP 13 2001

SAN FRANCISCO  
PUBLIC LIBRARY

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
September 4, 2001

CALENDAR AGENDA		RESOLUTION	
SECTION	ITEM TITLE	NUMBER	PAGE
A.	CALL TO ORDER:		3
B.	ROLL CALL:		3
C.	ADOPTION OF MINUTES:		
	Regular meeting of August 21, 2001	01-0294	3
D.	ANNOUNCEMENT BY SECRETARY:		3
E.	ITEMS INITIATED BY COMMISSIONERS:		3
F.	ITEMS RELATING TO MASTER PLAN PROJECTS:		
	1. Modification No. 15 to Contract 5510E - Boarding Area A General Construction - Hensel Phelps Construction	01-0295	4
	2. Modification No. 10 to Contract 5511A - Boarding Area A Aircraft Apron - Ghilotti Brothers Construction	01-0296	4-5
G.	ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3. Award Airport Public Parking Facilities Operating Agreement - AMPCO Parking Systems		5
	4. Proposed Fee Structures for Providing Services Related to Repairs and Plan Review for Airport Tenants		5
	5. Approve Lease with Japan Airlines for Space in Plot 50B-1 Cargo Building	01-0297	5-6
H.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	6. Award Contract 3845R - South Terminal Fall Protection System - Resource & Design, Inc.	01-0298	6
	7. Authorization to Exercise First of Three One-Year Options to Renew Financial Advisor Contract with the Joint Venture of Public Financial Management and The Chapman Company	01-0299	6





8.	Authorizing Director to Accept and Expend Airport Improvement Program (AIP) Grant Numbers 16 and 17 Issued by the FAA	01-0300	6
9.	Authorizing Director to Accept and Expend Funds from the FAA for Clean Air Vehicles	01-0301	6
I.	NEW BUSINESS:		7
J.	CLOSED SESSION:		
	Pending Litigation: CCSF vs CalStar Retail, Inc.		7
	Potential Litigation:		7
K.	ADJOURNMENT:		7



# AIRPORT COMMISSION MEETING MINUTES

September 4, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 21, 2001 were adopted unanimously.

No. 01-0294

\* \* \*

- D. ANNOUNCEMENT BY SECRETARY: Unanimous adoption of Resolution 01-0293 regarding the settlement of the unlitigated claim brought by the Environmental Protection Agency to recover cleanup costs at Casmalia Resources Hazardous Waste Disposal Site in an amount not to exceed \$180,000.00 for allocation to City Departments, with the Airport's share not to exceed \$21,600 at the closed session of August 21, 2001.

\* \* \*

## E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

## F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was moved by Commissioner Mazzola and seconded by Commissioner Ito.



The vote to approve was unanimous.

1. Modification No. 15 to Contract 5510E - Boarding Area 'A' General Construction Hensel Phelps Construction Co., Inc. - \$3,149,712

No. 01-0295

Resolution approving Modification No. 15 to Contract 5510.E, Boarding Area 'A' General Construction, with Hensel Phelps Construction Co., Inc., in the amount of \$3,149,712 for work related to transferred scope from other projects, and unanticipated conditions. The funding source is the project budget.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction explained that this modification incorporates changes into the Boarding Area A General Construction contract that were due to transferred scope from other projects and unanticipated conditions.

Funding source for this modification will be from the project budget and has been approved by the Master Plan Technical Advisory Board. The costs have been forecasted in the Master Plan Quarterly Reports. There will be one more modification to close out this contract.

The base contract goals for this contract were 15% MBE and 6% WBE. At award, HRC accepted 12.3% MBE and 2.2% WBE subcontracting participation levels. Through this modification the contractor's participation levels will be 10.8% MBE and 2.3% WBE. The MBE level is slightly below the contractor's 12.3% commitment, but the WBE level of 2.3% is slightly above the 2.2% commitment. The respective commitments remain unchanged for the ultimate performance of the contract.

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Modification No. 10 to Contract 5511A - Boarding Area 'A' Aircraft Apron Ghilotti Brothers Construction, Inc. - \$1,375,025.43

No. 01-0296

Resolution approving Modification No. 10 to Contract 5511A, Boarding Area 'A' Aircraft Apron, with Ghilotti Brothers Construction, inc., in the amount of \$1,375,025.43, for work related to Airport initiated changes, unanticipated conditions, construction services for the completion of site improvements at the North Cargo Facility and JAL Cargo site, and final reconciliation of contract adds and deducts. This is the final contract close-out modification. The funding source is the project budget.



Mr. Allen explained that this is the final modification closing out this contract. It includes additional scope related to Airport initiated changes, unanticipated conditions, and construction services for the completion of the aircraft taxiway. Also included are the parking hardstands at the North Cargo facility, the adjacent Japan Airlines' cargo facility, and the final reconciliation of adds and deducts.

Funding source for this modification is from the project budget.

This modification has been approved by the Master Plan Technical Advisory Board and the costs have been included in the cost forecast presented to the Commission as part of the Master Plan Quarterly Reports.

The base contract goals for MBE/WBE participation were 10% and 6% respectively. At award, the contractor committed to 25.8% MBE and 11% WBE subcontracting participation levels. Through this modification, the contractor's participation levels will be 20.7% MBE and 8.3% WBE, less than its commitment at award, but exceeding the base contract goals.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was put over.

3. Award of Airport Public Parking Facilities Operating Agreement to AMPCO Parking Systems 19,338,354

Resolution awarding the Airport Public Parking Facilities Operating Agreement to AMPCO Parking Systems for a term of one year, at an annual cost for the first year not to exceed \$19,338,354.

Item No. 4 was put over.

4. Proposed Fee Structures for Providing Services Related to Repairs and Plan Review for Airport Tenants.

Resolution approving and implementing a Fee Structure for services provided to tenants by Facilities Operations and Maintenance (FOM) Division.

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Approval of Lease with Japan Airlines for Space in Plot 50B-1 Cargo Building





\* \* \*

## H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 6 through 9, were moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

6. Award of Contract No. 3845R - South Terminal Fall Protection System - Resource & Design, Inc. - \$449,875.00

No. 01-0298

Resolution awarding Contract 3845R, South Terminal Fall Protection System, to the lowest responsive, responsible bidder, Resource & Design, Inc. in the amount of \$449,875.00

7. Authorization to Exercise First of Three One-Year Options to Renew Financial Advisor Contract with the Joint Venture of Public Financial Management and the Chapman Company

No. 01-0299

Resolution exercising the first option to renew the Financial Advisor Contract with the Joint Venture of Public Financial Management and The Chapman Company.

8. Authorizing the Director to Accept and Expend Airport Improvement Program (AIP) Grant Numbers 16 and 17 Issued by the Federal Aviation Administration (FAA) in the total Amount of \$24,390,000

No. 01-0300

Resolution authorizing the Director to accept and expend Airport Improvement Program (AIP) Grant Numbers 16 and 17 issued by the Federal Aviation Administration (FAA) in the total amount of \$24,390,000.

9. Authorizing the Director to Accept and Expend Funds from the Federal Aviation Administration (FAA) for Clean Air Vehicles

No. 01-0301

Resolution authorizing the Director to accept and expend Inherently Low Emission Airport Vehicle Pilot Program funds from the FAA not to exceed \$2 million.

\* \* \*



I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:10 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled CCSF through its Airport Commission vs CalStar Retail, Inc., San Mateo Superior Court No. 417869; and, Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.


Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:30 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:30 A.M.

  
Jean Caramatti  
Commission Secretary



15  
2/01

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

DOCUMENTS DEPT.

October 2, 2001

9:00 A.M.

NOV - 5 2001

SAN FRANCISCO  
PUBLIC LIBRARY

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Special Meeting of  
October 2, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of September 4, 2001	01-0302	3
D.		ITEMS INITIATED BY COMMISSIONERS:		3
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Award of Public Parking Facilities Operating Agreement - AMPCO System Parking	01-0303	3-4
	2.	Award of Employee Parking Facilities Operating Agreement - Pacific Park Management, Inc.	01-0304	4-5
	3.	Modification No. 8 to Contract 5515A - Security & Special Systems - Security Systems Package - Amelco Electric	01-0305	5-6
	4.	Modification No. 1 to Contract 5606C - Police Main Station Construction - Trico Construction	01-0306	6-7
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Rejection of Bids: Contract 5521P - On-Call General Construction	01-0307A	
		Contract 5521Q - On-Call Mechanical Construction	01-0307B	
		Contract 5521R - On-Call Electrical Construction	01-0307C	7-8
	6.	Modification No. 8 to Contract 5011CM - Security & Special Systems' Construction Management Agreement - DMJM Aviation/ Cabellon Associates, Inc./Mendoza Associates, A Joint Venture	01-0308	8
	7.	Modification No. 11 to Professional Services		





	Contract 5515.3 - Security & Special Systems - Holmes & Narver	01-0309	8
8.	Bid Call - Contract 3581 - Runway 28R-10L Overlay & Reconstruction	01-0310	8
G.	NEW BUSINESS:		
	International Terminal Tenants		9-12
H.	CORRESPONDENCE:		12
I.	CLOSED SESSION:		
	Potential Litigation		12-13
J.	ADJOURNMENT:		13



## AIRPORT COMMISSION MEETING MINUTES

October 2, 2001

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:03 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present:	Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 4, 2001 were adopted unanimously.

No. 01-0302

\* \* \*

### D. ITEMS INITIATED BY COMMISSIONERS

Commissioner Crayton commended the Director and staff for the outstanding job they did in the aftermath of terrorist attacks in New York and Washington, D.C. on September 11, 2001.

\* \* \*

### E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 1 and 2 were called together. Commissioner Berman was unanimously recused from voting on Item No. 1 due to a conflict of interest. Item No. 1 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The vote to approve was unanimous.

1. Award of Public Parking Facilities Operating Agreement - AMPCO System Parking - Not to exceed \$19,338,354

No. 01-0303

Resolution awarding of the Airport Public Parking



Facilities Operating Agreement to AMPCO  
System Parking for a term of one year at an  
annual cost not to exceed \$19,338,354.

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that in the beginning of this year the Commission authorized the issuance of the final Request for Qualifications/Proposals for the Airport Public Parking Facility Operating Agreement. In June of this year the Commission approved the shortlist of qualified proposers ... AMPCO System Parking, APCOA/Pacific Parking, a Joint Venture, Central Parking System and Five Star Parking.

The Airport received four proposals from the abovementioned firms on July 2, 2001, however, Central Parking System submitted its proposal after the deadline and the proposal was returned.

A five member panel reviewed and rated the submittals and oral presentations based on the Commission-approved evaluation criteria. Staff then completed the final tabulation of the scores and ranked the submittals as follows: AMPCO ranked the highest, followed by Five Star and APCOA.

Staff has met with AMPCO representatives to finalize the specifics of their proposal, including the management fee. The term of the agreement, which will commence on January 3, 2002, is for one year with four-one year options.

Staff has negotiated a management fee equal to \$1,489,079. Staff has also negotiated strict controls over management fee increases. It is the Airport's intent to reduce garage operating expenses in the near term.

Staff recommends award of this agreement to AMPCO for one year at an annual cost not-to-exceed \$19,338,354, which includes all garage operating expenses.

Commissioner Strunsky asked if the operator should be providing an incentive fee if a portion of the garage is closed.

Mr. Rhoades responded that due to the present situation we will be reducing expenses in the garage. Cashiers, exit booths are not incentives. Incentives kick in if they go beyond what we are going to do as an additional savings. It will be evaluated on a case by case basis.

Commissioner Crayton noted that AMPCO has been at the Airport for a number of years and asked why we don't know if they comply with the Equal Benefits Ordinance.

Mr. Rhoades responded that he believed they do. He explained that their last contract was awarded prior to the Equal Benefits Ordinance.

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.



2. Award of Employee Parking Facilities Operating Agreement - Pacific Park Management, Inc. - Not to exceed \$2,808,337

No. 01-0304

Resolution awarding the Airport Employee Parking Facilities Operating Agreement to Pacific Park Management, Inc. for a one-year term, at an annual cost not to exceed \$2,808,337, which includes a management fee of \$271,772 for the first year; and maintain employee parking facilities as part of Public Facilities Agreement on a month-to-month basis.

Commissioner Ito asked Mr. Rhoades to elaborate on the partnership.

Mr. Rhoades explained that Pacific Park Management, a DBE firm, was the only proposer. They were in partnership with APCOA, one of the primes on the first contract. They subsequently submitted a separate proposal as a DBE for the Employee Parking Agreement.

Commissioner Strunsky noted that this is an example of our program bringing along smaller firms to the point where they can bid on projects on their own.

Item No. 3 was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

3. Modification No. 8 to Contract No. 5515A - Security & Special Systems - Security Systems Package - Amelco Electric - \$3,000,000

No. 01-0305

Resolution approving Modification No. 8 to Contract 5515A, Security & Special Systems - Security Systems Package, with Amelco Electric, in the amount of \$3,000,000 to replace 10 Stage 1 Perkin Elmer Z-Scan baggage screening devices with 10 Perkin Elmer Vivid VIS-108 screening devices. Funding source is from Passenger Facility Charge (PFC) revenue.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction explained that this modification to improve security will provide for replacement of 10 Stage 1 Perkin Elmer Z-Scan baggage screening devices with Perkin Elmer Vivid VIS-108 screening devices.

The present baggage x-ray system at Stage 1 rejects baggage at double the rate required by the specifications. This results in overloading the x-ray operation and significantly increasing the amount of unnecessary baggage screening at Stage 3.

The new Vivid VIS-108 screening devices are expected to provide superior performance resulting in lower operational and life-cycle costs. Perkin Elmer has ceased production of the Z-Scan devices and will only support maintenance of Z-





Scan equipment at a premium cost.

The \$3,000,000 cost includes a 70% refund on the return of the Z-Scan devices to Perkin Elmer.

This modification has been reviewed and approved by the Capital Project Review Committee. Funding will be provided from Passenger Facility Charge revenue.

The original MBE/WBE goals for this contract were 8% and 2% respectively. The contractor's original approved participation levels were 8.07% MBE and 2.12% WBE. Participation levels for this modification will be 4% MBE and 0% WBE respectively. The low participation levels are because the work is mostly performed by a single equipment vendor. The cumulative participation levels through this modification are 8% MBE which meets the original goal and almost meets the contractor's commitment, and 4% WBE which exceeds the original goal and the contractor's commitment.

Mr. John Martin, Airport Director added that the baggage security system in the International Terminal has set an industry standard in terms of the baggage reconciliation process and the entire baggage screening process. Other airports throughout the country are looking to our system as a model.

Commissioner Strunsky asked if we are considering increasing our domestic screening to meet international standards.

Mr. Allen responded that up to now the airlines have been handling the domestic side and they've installed CTX machines at several locations in the North and South terminals. The new plan was to have four CTX machines installed in the Central Terminal. As requirements for baggage scanning increase the airlines will be providing more machines.

Commissioner Crayton asked if the other major airports had the VIS equipment.

Mr. Allen responded that he did not know if other major airports had this equipment, however, it is in heavy demand. If we delayed at this point, it would take quite some time to get into their schedule.

Mr. Martin added that screening in the International Terminal far exceeds the FAA standards.

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was 4 to 1, with Commissioner Mazzola casting the dissenting vote.

4. Modification No. 1 to Contract No. 5606C - Police Main Station Construction  
Trico Construction - \$923,051

No. 01-0306

Resolution approving Modification No. 1 to  
Contract No. 5606CI, Police Main Station



Construction with Trico Construction, in the amount of \$923,051 for work related to the new International Terminal Departures Hall restroom facilities and automatic door repairs. The funding sources are the Capital Improvement Program budget and Master Plan Project budget transfer

Mr. Allen explained that this modification includes additional scope to add men's and women's restroom facilities in the International Terminal at a central location between the two food courts, adding greatly to customer convenience. Completion is anticipated for mid November. Also included in this scope are repairs to some of the International Terminal's revolving and automatic-sliding doors that were damaged by unknown parties during the tenant buildout and base-building completion stage of construction.

Funding will be provided through Capital Improvement Program and transfer of Master Plan funds from another project.

The original MBE/WBE goals for this contract were 13% and 3% respectively. The contractor committed to 38% MBE and 3.75% WBE participation levels. Through this modification the participation levels will be 36.4% MBE and 3.6% WBE, slightly below the contractor's commitment.

Commissioner Strunsky asked what the Airport's insurance coverage would be for major damage.

Mr. Martin responded that he will provide a follow up report to the Commission.

Commissioner Mazzola asked if Prevailing Wage Compliance Officers will continue to look at jobs like these.

Mr. Martin responded that that staff has temporarily been reassigned to the License and Permit Bureau in order to assist in rebadging all Airport employees and tenants. That staff will return at a much lower level in terms of Prevailing Wage monitoring. The City has set up its own Prevailing Wage Compliance Office and it will, at some point in the near future, take over the function altogether.

Commissioner Mazzola noted that the City's Compliance Officers for Prevailing Wage and Labor Standards for the Airport is exempt.

Mr. Martin said that he understood that the Airport is not exempt. He will check into it.

\* \* \*

#### F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:\

The Consent Calendar, Item Nos. 5 through 8, were moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.



5. Rejection of Bids for Contract No. 5521P - On-Call General Construction; No. 5521Q - On-Call Mechanical Construction; and No. 5521R - On-Call Electrical Construction - Pavex/JSI Joint Venture, Acco Mechanical, Liberty Electric.

No. 01-0307A	Resolution rejecting all bids for Contract 5521P,
No. 01-0307B	Call General Construction, 5521Q, On-Call
No. 01-0307C	Mechanical Construction, and 5521R, On-Call
	Electrical Construction and authorizing Director to
	rebid as one combined project under Contract
	5521P(R), On-Call General Construction.

6. Modification No. 8 to Contract No. 5011CM - Security & Special Systems' Construction Management Agreement - DMJM Aviation/Cabellon Associates, Inc./Mendoza Associates, A Joint Venture - \$350,000

No. 01-0308	Resolution approving Modification No. 8 to
	Contract 5011CM, Security & Special Systems'
	Construction Management Agreement with
	DMJM Aviation/Cabellon Associates, Inc./Mendoza
	Associates, A J.V., in the amount of \$350,000,
	increasing the basic Professional Service fee to
	provide extended Construction Management
	Services for the Security and Special Systems
	projects and the Emergency Operations Center.
	Funding services will be provided from the
	Airport's Capital Improvement Program (CIP)
	Budget.

7. Modification No. 11 to Professional Services Contract No. 5515.3 - Security & Special Systems - Holmes & Narver - \$292,800

No. 01-0309	Resolution approving Modification No. 11 to
	Contract 5515.3, Security & Special Systems'
	Professional Service Agreement with Holmes &
	Narver, in the amount of \$292,800 increasing the
	basic Professional Service fee to provide
	Engineering Services for the Security and Special
	Systems projects. Funding for the services will
	provided from the Airport's Capital Improvement
	Program (CIP) Budget.

8. Bid Call - Contract No. 3581 - Runway 28R-10L Overlay and Reconstruction

No. 01-0310	Resolution approving the scope, budget, and
	schedule for Contract 3581, Runway 28R-10L
	Overlay and Reconstruction, and to authorize the





Director to call for bids when ready.

\* \* \*

#### F. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Ms. Irma Zigas, Director of Special Projects for the San Francisco Museum of Modern Art Museum Store, speaking on behalf of the SFO Retail Tenants Association said that they will not survive the present climate unless the Commission takes action to provide relief. The tenants need relief from the MAG rent and need to be placed on a percentage rent. They also need their leases extended from five years to 10 years in order to be able to recover their costs of construction.

She quoted from an article in the Saturday, September 29 New York Times Business Section: The headline read "Thousands of jobs are at stake as terminal shops struggle." "Sales are down 40% since September 11."

The staff of the Museum of Modern Art are members of the Office and Professional Employees Local 3, AFL-CIO and they do not want to lay off their employees.

On Friday, a group of Airport retailers spoke with executives at 15 airports about their problems, including their ability to pay rent. Everybody is in trouble.

Mr. Scott Roderick, partner of Pacific Golf Partners, in Boarding Area A said that they were excited to be named by Airport Retail News as one of the top new specialty retail stores in the United States. They are also proud to be in the final selection process to be one of the top 50 golf stores in North America.

The average rent for all 38 retailers in the new International Terminal from January through June was 46.88%. No retailer in the United States or the world can survive with close to 50% rent ... and this was before September 11.

At a recent meeting held with the Retail Tenants Association on Friday it was learned that the average retailer was down about 50% at SFO since September 11.

He asked for the MAGs to be waived and percentage rents to be instituted. He asked that the length of the leases be looked at on a case by case basis. This would not represent a handout or a windfall, it is simply allowing them to break even.

Airport staff has been incredibly generous with their time and wonderful at listening to their concerns.

Waiving the MAG and going to a percentage rent is doable, and possibly without affecting the service payment to the City or landing fees. We also need to show the traveling public that business at SFO is back to normal and better than ever. Boarded





up store fronts will send the wrong message.

Commissioner Strunsky asked how the "ticketed passengers only" policy is affecting him.

Mr. Roderick responded that about 20% to 22% of their transactions were non-travelers. They also had a lot of exclusive items in the store, including being the only store outside of Pebble Beach to sell Pebble Beach logoed items. They had customers coming from the City and the Bay Area to buy their merchandise. Of the 50% down, 20% is probably attributable to the closed boarding areas.

Commissioner Crayton asked if they ship.

Mr. Roderick responded that they do.

Ms. Katy Koch, Chief Administrative Officer of the San Francisco Museum of Modern Art and Co-Acting Director asked for an elimination of their MAG rent, replacing it with a percentage rent, and, a lease extension from of five to 10 years.

Both of these changes are necessary in order for the Museum Store to continue operating in the new International Terminal.

The Airport is not the source of their problems. The Museum's mission is focused on the presentation, conservation and collection of contemporary art. They are not a retailer. They operate a Museum Store solely to fund the mission of the Museum. They cannot continue to subsidize a losing operation.

They want to continue to be part of the Airport. They believe that in the long run it will benefit the Museum, the Airport and Airport visitors. However, they will need some relief in the short term in order to continue to be able to do that. The Board of Trustees of the Museum and the management have a fiduciary responsibility to the Museum and they must keep within the mission and operate in accordance with it.

Mr. Martin said that Airport staff has decided to place all concessionaires on a percentage rent in the short term. This will have a financial impact of \$1.5 million per month to the Airport. This is part of the \$70-\$90 million revenue hit that we are facing. We do, however, feel that a percentage rent is appropriate.

Mr. Mark Thompson thanked Mr. Martin and Mr. Rhoades for their assistance, however, a problem existed prior to September 11. As his partner, Scott Roderick, had mentioned, they were on the verge of failing prior to September 11. It was not solely because of the economy or because they overbid. Their bid was only \$100 above the MAG. The main problem is that the MAG was set too high.

In the first six months of the year the average retail store in the International Terminal paid almost 50% of all of their sales to rent. They never expected to pay that percentage, nor does he think the Commission or Airport staff believed that either.

The term of their lease is another issue. Almost everyone in the International Terminal, the restaurants and the majority of the retailers have a 10 year lease ... a few of them



have a five year lease. They spent the same amount of money as the other retailers in construction buildout ... almost \$500,000. They expect their losses this year to be \$75,000. They don't expect next year to be booming either.

If business does come back they will have only about three years to recover \$600,000. That's impossible.

Mr. Xavier Vega, managing partner of Pacific Gateway Concessions (PGC) thanked Mr. Martin and staff for their support. PGC is a small minority owned business just breaking into the airport industry as a retail concessionaire. They have laid off employees and reduced salaries across the board.

He asked the Commission for economic relief for six to nine months.

Ms. Marilla Ginsberg, Marilla Chocolate Company also requested the removal of the MAG and a continuance of her lease.

Mr. Michael Tucker, President of Books, Inc., said that he stood with his fellow tenants and their request for relief.

Mr. Ralph Glenn, RDG Concessions, a DBE partner with DFS Gallerias, said that he is in a unique situation because he is tied to DFS. He hoped the Commission will act quickly to provide relief. He has already lost \$140,000 this year.

Ms. Loretta Whittle, a DBE/WBE/MBE, a subtenant to W.H. Smith Bookstore in the International Terminal ... her company is Boule Café.

She asked for an elimination of the MAG rent, an extension on their lease and the opportunity to place tables and chairs outside of their leased space in order to attract customers.

Mr. Michael Levine, President, San Francisco Airport Restaurant Association said that they are very proud to be part of the program at SFO that has been lauded as one of the most interesting food and beverage operations in the country, and, for a time achieved far better than national average sales per enplanement. However, the projections anticipated for the summer did not materialize due to a softer economy and diminished travel. Since 9/11 it has been horrendously difficult for the restaurateurs to operate. In addition to what retailers experienced, the restaurateurs had perishables, much higher labor costs, much longer hours of operations to staff and to keep labor in tact.

Current sales have plummeted back to the sales of February or March of last year. Many of the restaurateurs are experiencing 30% to 50% less in daily sales than at the peak period, which again were less than the projections for August of this year.

Food and beverage was not a bid process, they were selected. Percentages were set in place by category. The MAGs were extremely low and were based upon a percentage. If the Commission is going to eliminate the MAG for retailers, it should consider reviewing, if not eliminating the percentage for the restaurateurs during this time in order to be in balance and parity.



The "ticketed passengers only" policy has had a considerable effect on their sales. They ask for new way finding signage in order for passengers to know what is available.

Commissioner Crayton asked if there has been any impact on sales because passengers are getting to the Airport earlier.

Mr. Levine responded that he believes that there is a slight offset to the downturn.

Commissioner Ito asked what impact on restaurant operations the "no-knives beyond security" policy has had.

Mr. Levine said that those restaurants beyond security are using Qi's kitchen. The obstacle is getting that tray of food beyond security. Currently, that tray of food is being placed on the same conveyor belt as carry on luggage. There is no separate passage way. This very laborious and time consuming.

Mr. Frank DeLaCruz, DeLaVe News and Gifts said that prior to 9/11 they were experiencing approximately a 30% drop in sales. Post 9/11 they are experiencing a drop of 50% in sales. He asked for an elimination of the MAG.

Mr. Martin said that he will provide the Commission with a follow up report and a recommendation to move concessionaires to a percentage rent. He recognizes the very hard time concessionaires are experiencing and values their presence. We continue to have one of the best, if not the best food and beverage and retail program in the U.S. That is demonstrated by the high sales on a per enplaned passenger basis, consistently ranking number one or number two among U.S. airports. Our food and beverage sales per passenger are off the scale compared to any other U.S. airport. We have seen a large increase in retail sales per passenger in the new International Terminal compared to the old International Terminal. We recognize that some form of relief is needed. This will be a slow recovery. We need to take this step by step. We know that relief is needed today.

We do understand the need for lease extensions, and the difficulty in writing off the \$800 per square foot construction costs over a five year period of time.

\* \* \*

#### G. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

#### H. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 10:13 A.M. and the closed session began.





The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

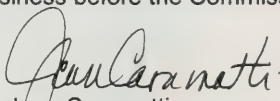
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:39 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:40 A.M.

  
Jean Caramatti  
Commission Secretary





# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

October 11, 2001  
Special Meeting

8:30 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
Airport Director

DOCUMENTS DEPT.

NOV 20 2001

SAN FRANCISCO  
PUBLIC LIBRARY

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Special Meeting of  
October 11, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		2
B.		ROLL CALL:		2
C.		CLOSED SESSION:		
		Potential Litigation		2
D.		ADJOURNMENT:		2



AIRPORT COMMISSION SPECIAL MEETING MINUTES

October 11, 2001

A. CALL TO ORDER:

The special meeting of the Airport Commission was called to order at 8:33 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton

Absent: Hon. Caryl Ito

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 8:34 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

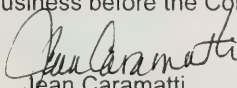
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:25 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:27 A.M.

  
Jean Caramatti  
Commission Secretary



101

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

October 16, 2001

10:00 A.M.



ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN

President

LARRY MAZZOLA

Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN

Airport Director

DOCUMENTS DEPT

NOV 20 2001

SAN FRANCISCO  
PUBLIC LIBRARY





Minutes of the Airport Commission Meeting of  
October 16, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of October 2, 2001	01-0312	3
D.		ANNOUNCEMENT BY SECRETARY:		3
E.		DIRECTOR'S REPORTS:		
	1.	Contract Awards to MBEs/WBEs for FY 2000/01		3-4
F.		ITEMS INITIATED BY COMMISSIONERS:		
		Closed session of October 11, 2001		4
G.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	2.	Modification No. 4 to Contract 5520L - Boarding Areas A & G, Passenger Loading Bridges, Potable Water System, and Aircraft Docking System - Thyssen Elevator Corp.	01-0313	4-6
H.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Temporary Suspension of Minimum Annual Guarantees and Placement of Airport Tenants on Percentage Rent; Reduction of Percentage Rent for Certain Post Security Restaurants; Designation to Airport Director the Right to Establish Percentage Rent Structure for Travelex and DFS	01-0314	6-8
	4.	North Terminal Apparel Boutique Lease - CalStar Retail, Inc. Lease Modification to Eliminate Minimum Annual Guarantee and Place on Tiered Percentage Rent	01-0315	8-9
	5.	North Terminal Product Shop Lease - Marilla Chocolate Company - Lease Modification to Eliminate Minimum Annual Guarantee and Place on Percentage Rent	01-0316	9



6.	Selection of Airfield Program Management Partners to Provide Program Management Services for the Airfield Development Program	01-0317	9-10
7.	Termsheet with Wildlands, Inc. for Option Agreement to Purchase Habitat Mitigation Credits for Habitat Restoration on Haire Property for the Proposed Runway Reconfiguration Program	01-0318	10-11
8.	Approval of Project to Provide Office Space in West Field Cargo Building 1 for the United States Customs Services - Customs Cargo Unit, and Letter Agreement between Airport, San Francisco Equipment Company (SFOTEC) and Customs Authorizing Reimbursement to SFOTEC	01-0319	11-12
9.	Award Contract 4286 - Rental Car Center Improvement, Phase 2 - Dennis J. Amoroso, Inc/ TSM, a Joint Venture	01-0320	12-13
I.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
10.	Approve Adjustment of Transportation Fee for Consolidated Bus System Serving the SFO Rental Car Center	01-0321	13
11.	Reject All Bids - Contract 3842 - North Terminal Boarding Areas E and F Carpet Replacement	01-0322	13
J.	NEW BUSINESS:		
	Brayer Electric		13-14
	Taxicabs		14-15
K.	CORRESPONDENCE:		16
L.	CLOSED SESSION:		
	Potential Litigation		16
M.	ADJOURNMENT:		16



# AIRPORT COMMISSION MEETING MINUTES

October 16, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 10:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 2, 2001 were adopted unanimously.

No. 01-0312

\* \* \*

- D. ANNOUNCEMENT BY SECRETARY: Unanimous adoption of Resolution No. 01-0311 regarding settlement of agreement and release with ABC Parking, Inc./THOR, et al at the closed session of October 2, 2001.

\* \* \*

## E. DIRECTOR'S REPORTS:

### 1. Report on Contract Awards to MBEs/WBEs for FY 2000/2001

Annual report on contract awards to Minority and Women Businesses in the areas of Construction, Professional Services and Concessions for both Master Plan and Non-Master Plan Contracts.

Ms. Sandra Crumpler, Outreach Officer, reporting on the contracts awarded in Fiscal Year 2000-01, explained that there was a decrease in contracts awarded due to the close-out of Master Plan projects. Twenty-two construction contracts were awarded this year compared to 32 construction contracts awarded last year. The contract awards, including both construction and professional



services, total \$43 million, with MBE/WBE awards totaling approximately \$20 million, and representing 46% of the total dollars.

This compares to \$88 million in total contracts awarded last year, or 50%, with MBEs receiving approximately \$31 million, representing 36% in awards.

Nine concession passenger services contracts were awarded this year, of which two were awarded to DBE primes, representing 2%, in accordance with 49CFR Part 23, Federal regulations.

Commissioner Ito asked if the Airfield Development Bureau was included in this report.

Ms. Crumpler responded that it is.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky moved that the minutes of the special meeting held last Thursday be made public. The City Attorney is desirous of looking into the affairs of the Airport and he wants her motivations and the Airport's position made clear to everyone.

Commissioner Mazzola seconded the motion.

Commissioner Ito said that she was not in attendance and not knowing the contents she is concerned about participating in this vote. She asked Mara Rosales, Airport General Counsel, her opinion.

Mr. John Martin, Airport Director, suggested deferring the vote until after the closed session.

Commissioner Strunsky said that he would withdraw the motion as long as there would be an opportunity to reinstate it before the end of the meeting.

Mr Martin responded that there would be that opportunity.

Commissioner Mazzola withdrew his second.

\* \* \*

#### G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was moved by Commissioner Mazzola and seconded by Commissioner Ito. The item was approved by a 4 to 1 vote, with Commissioner Strunsky casting the dissenting vote. Commissioner Crayton arrived at the meeting during discussion of this item.

2. Modification No. 4 to Contract No. 5520L - Boarding Areas A & G, Passenger Loading Bridges, Potable Water System, and Aircraft Docking System -





No. 01-0313

Resolution approving Modification No. 4 to Contract 5520L, Boarding Area A & G, Passenger Loading Bridges, Potable Water System, and Aircraft Docking System with Thyssen Elevator Corp., in the amount of \$853,747 for work related to Airport initiated changes and final reconciliation of contract adds and deducts. This is the final modification to close out the contract. The funding source is from budget transfers from other Master Plan projects.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction explained that this modification closes out the contract and provides for Airport-initiated changes, unanticipated conditions, and final reconciliation of contract allowance credits.

This modification has been reviewed and approved by the Master Plan Advisory Board and the cost has been forecasted in our quarterly reports. Funding for this modification is from budget transfers from other Master Plan Projects.

The original Human Rights Commission goal for this contract was 4% combined MBE/WBE. At the time of award, the HRC accepted the contractor's commitment of 4.1% MBE/WBE combined participation level. The contractor's performance through this final modification will be 8.5% combined MBE/WBE participation level.

Commissioner Strunsky said that he does not see how the Commission can approve this change order. Change orders come to the Commission with the recommendation of the Advisory Board and the Advisory Board's competence is being questioned by the City Attorney. He will vote no until our staff is made aware of the City Attorney's issues and they have a chance to review those issues as they may relate to this change order.

Commissioner Mazzola understood Commissioner Strunsky's concerns but felt that the Airport is better served by supporting our staff. If staff recommends this modification, the Commission should support them as it has in the past.

Commissioner Ito understood the complexity of the situation, however, she is concerned about carrying on with business. We have trusted the Advisory Board and staff all these years and she is comfortable closing out this contract.

Commissioner Strunsky said that the City Attorney's Office could clear this up very quickly if they would be willing to meet with staff. They are stonewalling Airport staff on what their issues are. If there are issues, we should not be approving these change orders. Our staff should be made aware of what the City Attorney's Office believes is a defect in our procedure.

Commissioners Strunsky and Mazzola quickly summarized their concerns about



this item to Commissioner Crayton, who arrived at the end of the discussion.

Mr. Martin understood Commissioner Strunsky's concerns but felt that the Airport should maintain its integrity with its contractors where we believe that change orders are in order so that the subcontractors can be paid.

Commissioner Crayton said that the City Attorney has not interfered in this process in the past. The Commission conveyed its concerns and explained that the Airport had the necessary controls in place and the necessary benchmarks to review these items. She agreed with Commissioners Mazzola and Ito.

\* \* \*

#### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 3, 4 and 5 were called together. Commissioner Strunsky moved the items with Commissioner Mazzola seconding the motion. The vote to approve was unanimous.

3. Temporary Suspension of Minimum Annual Guarantees and Placement of Airport Tenants on Percentage Rent; Reduction of Percentage Rent for Certain Post Security Restaurants; Designation to the Airport Director the Right to Establish Percentage Rent Structure for Travelex and DFS.

No. 01-0314	Resolution (1) approving temporary suspension of Minimum Annual Guarantee and placing certain Airport tenants on percentage rent, including a specific percentage rent structure for Travelex; (2) temporarily reducing percentage rent for certain post-security restaurants; and (3) delegating to Airport Director the right to establish percentage rent structure for DFS.
-------------	---

Mr. Bob Rhoades, Deputy Director, Business & Finance, explained that the Airport retail, food and beverage, and passenger service tenants have represented that due to the extraordinary effects of the September 11 tragedy they cannot meet some of the contractual obligations of their leases.

Airport staff has been reviewing revenue numbers in relationship to the minimum annual guarantees (MAG) and confirmed that the MAGs have been imposing a severe hardship since the 9/11 events.

Taking into account these concerns, as well as the Airport's financial, operational and policy goals, Airport staff has been working towards the development of a comprehensive plan to deal with this on a long term basis. In the meantime, in order to give these tenants some economic relief and to promote customer service in the terminals, staff recommends that the MAGs of certain terminal tenants be temporarily suspended and such tenants pay rent based on the terms and conditions of their leases.



Secondly, there are a number of anomalies that we would also like to address within this resolution. The first is that when we first set up the food and beverage program in the new International Terminal it was envisioned that three of the locations would be primarily cocktail lounges and not food facilities. As it turned out, the three operators selected are primarily purveyors of food and as such they should have the same tiered rent structure as the food and beverage operators. They are currently at a 12%, 14%, and 18% tiered rent, whereas all the other food operators are at 6%, 8% and 10%. We propose to change their rent structure to 6%, 8% and 10%.

The next item addressed in this resolution is Travelex, the foreign exchange provider. That lease includes a fixed fee, not a tiered rent structure.

With the decline in passengers that fixed fee became a significant economic burden. The resolution establishes a tiered rent for Travelex.

Finally, the Duty Free operator, who has been effected as much, if not more by the decline in international travel, has about 70% of their gross receipts going to rent. By their contract DFS would pay 15% in rent up to the first \$50 million in gross sales. We have had a separate negotiation and have come to an agreement with them which would pay us a tiered rent structure at 15%, 20% and 25%. We feel that is a good solution for both parties.

Mr. Rhoades has had on-going dialogue with the tenants regarding possible further measures that may be required if the situation continues over the long term. He meets regularly with the food and beverage operators who have expressed a desire to go to their MAG. The reason for this is that when we first established the food and beverage program in the International Terminal a very low MAG was set to attract interest. All of those operators are still on the percentage rent, which is 6% of gross receipts. We understand the issue and will continue to have dialogue regarding that matter.

Commissioner Ito thanked Mr. Rhoades for responding so quickly. Other suggestions were made at the last meeting regarding the length of leases. There is also a peculiar situation with Boule Café, the subtenant to W.H Smith bookstore.

Mr. Rhoades responded that he has received correspondence and staff has had a number of discussions with the owner. She is a sublessee to the bookstore. The food concept in the bookstore was a separate item from the food and beverage program. She is on percentage rent ... 10% of gross receipts.

His objective was to insure that everyone is on percentage rent. The percentage rent falls hand in hand with gross revenues, as opposed to minimum annual guarantees which are very high fixed costs.

Staff is talking with Boule Café, but we are not recommending a change in the rent structure for that sublease, which is actually a sublease to a prime.

Commissioner Ito hoped that if the prime gets some relief he will negotiate with





the subtenant.

Mr. Rhoades responded that the prime was on a minimum annual guarantee. He does not believe that the subtenant was participating in the MAG. He believes she is on a straight percentage rent. The prime will go to a percentage rent ... a tiered structure of 12%, 14% and 16%.

Commissioner Strunsky asked if this will apply to everyone on this list, or just those who are current in the rent. He understands the gravity of the situation, however, if we're going to go out on a limb, then those tenants who are not current on their rent should bring themselves current before they participate.

Mr. Rhoades responded that two tenants had fallen behind in their rent, however, they had negotiated a repayment plan before 9/11. A third tenant is involved in litigation.

Mr. Martin said that the tenants will have to sign off on a percentage rent and agree to stay current on their account, recognizing that the MAG will kick in again if they do not stay current.

Commissioner Crayton asked if the issues presented by Boule Café have been addressed, and will there be a remedy?

Mr. Rhoades responded that the only remaining outstanding issue is whether or not the café can expand seating into the public area. We have not agreed to that at this time.

Mr. Martin said that he is still discussing this issue with staff. The Commission will receive a follow up report in the next week.

4. North Terminal Apparel Boutique Lease - CalStar Retail, Inc. - Lease Modification to Eliminate the Minimum Annual Guarantee and Place on Tiered Percentage Rent

No. 01-0315	Resolution approving the lease modification eliminating the Minimum Annual Guarantee for the North Terminal Apparel Boutique Lease and placing CalStar Retail, Inc. on tiered percentage rent during the holdover period.
-------------	---

Mr. Rhoades explained that earlier this year Commission approval was sought to put the North Terminal Apparel Store out to bid as a Disadvantaged Business set aside. No bids were received so the terms and conditions were modified in order to encourage participation. Again, no bids were received.

Since the current economic climate is not favorable for lease bids, a holdover is recommended.

Commissioner Strunsky assumed that this lease is not involved in CalStar's





litigation.

Mr. Rhoades responded that it is not.

5. North Terminal Product Shop Lease - Marilla Chocolate Company - Lease Modification to Eliminate the Minimum Annual Guarantee and Place on Percentage Rent

01-0316 Resolution approving the lease modification eliminating the Minimum Annual Guarantee for the North Terminal Product Shop Lease and placing Marilla Chocolate Company on percentage rent, set 15% of gross revenues during the holdover period.

Mr. Rhoades explained that again, the climate is not favorable for a bid and recommended a holdover of the incumbent in order to continue to provide this service to the traveling public.

Item No. 6 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous

6. Selection of Airfield Program Management Partners (APMP) to Provide Program Management Services for the Airfield Development Program

No. 01-0317 Resolution approving the selection of Airfield Program Management Partners (APMP), a joint venture of Parsons Brinckerhoff Quade & Douglas, Inc, Parsons Transportation Group, Inc., Cornerstone Transportation Consulting and The Allen Group, to provide Program Management Consulting services for the Airfield Development Program, and authorizing the Director to proceed with negotiation of a contract for initial phase of services extending through December 31, 2001.

Mr. Tom Kardos, Deputy Director, Airfield Development Bureau, explained that in April 2001 the Commission authorized staff to issue a request for proposals covering program management services for the implementation of the Airfield Development Program. Six proposals were received on July 13, 2001, and interviews were held on August 8, 2001.

We invited five panelists from outside SFO to comprise a team of experts assisting the Airport in selecting the successful program management team. The individual members were experts in the management of complex mega-projects, large business organizations as well as organizational diversity and the procurement provisions of the City and County of San Francisco.



The proposals were evaluated by the panel and all six teams were invited to make a presentation. After the presentations two teams emerged as clear leaders in a virtual tie in the panel's scoring. Shortly after the interviews these two teams expressed an interest in consolidating their teams into a task force that would combine the best talents of all the constituent firms. The FAA indicated its approval of the consolidation. The resulting team is the Airfield Program Management Partners (APMP), a Joint Venture of Parsons Brinckerhoff, Parsons Transportation Group, Cornerstone Transportation Consulting and The Allen Group.

The team is committed to a 28% DBE participation level exceeding the 23% goal established for the contract.

The proposed team offers a pool of talent that is unparalleled in range of expertise and experience.

Commissioner Strunsky congratulated Mr. Kardos in bringing to the Commission such a great pool of talent.

Mr. Martin said that the next step is for Mr. Kardos to negotiate the fee for this team. The only work planned for this fiscal year is to develop cost controls.

Commissioner Ito commended the firms that came together to partner. She asked about the two firms that dropped off the team.

Mr. Kardos responded that they will be subcontractors. They will not be part of the joint venture because it has to be a manageable unit. Having a multi-member joint venture becomes very cumbersome in the administration. The core team established the joint venture and the other teams will provide services as required by the various phases of the program.

Item No. 7 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous

7. Termsheet with Wildlands, Inc. for Option Agreement to Purchase Habitat Mitigation Credits for Habitat Restoration on Haire Property for the Proposed Runway Reconfiguration Program

No. 01-0318

Resolution authorizing the Airport Director to negotiate and enter into a termsheet with Wildlands, Inc. for an Option Agreement for Habitat Mitigation Credits.

Mr. Kardos explained that if the Airport Commission, after completion of the environmental process, selects any of the build alternatives for the reconfiguration of the runways, the Airport will be required to mitigate impacts to subtidal habitat. Mitigation requirements are likely to be extensive and include multiple sites.



Preliminary studies indicate that restoration of Skaggs Island in Sonoma County has the potential to provide tidal marsh, tidal flat, wetlands and open bay water.

Wildlands, Inc., a California Corporation specializing in habitat development, has entered into an option agreement for the purchase of the Haire property on Skaggs Island (1,090 acres, one quarter of Skaggs Island).

Airport staff recommends to ultimately enter into an option agreement with Wildlands to purchase mitigation credits preserving the Airport's ability to provide mitigation for subtidal habitat impacts should any of the build alternatives be approved.

This Commission agenda item would authorize the Director to negotiate and sign the "termsheet" for the option agreement with Wildlands. The termsheet itself is a no-cost, non-binding agreement detailing the terms for the follow-on option agreement. The proposed resolution requires Commission approval of any binding agreement with Wildlands and requires the Director to obtain third-party review of the termsheet prior to any further consideration by the Commission. The Airport's cost associated with the option agreement will be eligible for reimbursement by the FAA.

Mr. Martin said that this is a reasonable plan to follow to take advantage of obtaining this site as an option. It's a very good deal and we maintain the flexibility to back out if we need to.

Item No. 8 was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous

8. Approve Project to Provide Office Space in West Field Cargo Building 1 for the United States Customs Services - Customs Cargo Unit, and Letter Agreement between Airport, San Francisco Terminal Equipment Company (SFOTEC) and Customs Authorizing Reimbursement to SFOTEC - Not to Exceed \$3.5 Million.

No. 01-0319	Resolution approving a project to provide finished office space in West Field Cargo Building I (WFCB) for the U.S. Customs Service - Customs Cargo Unit, and a Letter Agreement between the Airport, SFO Terminal Equipment Company, LLC (SFOTEC), and Customs that authorizes reimbursement to SFOTEC in an amount not-to-exceed \$3.5 million, for services required to complete the required tenant improvements.
-------------	--

Mr. Rhoades explained that for many years Customs has been located at or near the Airport. This unit is responsible for the entry and clearance of all international cargo shipments entering the United States at San Francisco.

Traditionally, rent for facilities occupied by Customs has been paid for by the international carriers. Over the past 10 years the volume of international cargo





has increased dramatically to the tune of about 69%, or an average of 7% per year. In 1991 Customs had 47 employees; they are currently at 75.

In 1991 Customs was located on the Airport at the Northwest cargo facility but opted to move off-Airport for a period of time. The Airport committed to providing facilities to Customs once we started the West Field Cargo Program. West Field Cargo Building 1 has been completed and we are in a position to make suitable office space available to Customs.

This makes a much more efficient operation for airlines doing cargo business at the Airport and enhances the security of handling international cargo.

The Airport, along with Customs and SFOTEC, a consortium of international carriers, agreed that we would fund the development of space for Customs. We would enter into a lease with Customs and the carriers would pay rent to the Airport to recover the investment to build out these facilities. This will achieve full cost recovery.

Commissioner Strunsky asked how we will achieve cost reimbursement based on these numbers.

Mr. Rhoades responded that this is a 15 year pay back.

Mr. Martin asked Mr. Rhoades if there is a unique feature that is driving up the cost to \$200 per square foot?

Mr. Rhoades responded that he would follow up.

Item No. 9 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous

9. Award of Contract No. 4286 - Rental Car Center Improvement, Phase 2  
Dennis J. Amoroso Construction, Inc./TSM, a Joint Venture - \$4,090,628

No. 01-0320	Resolution awarding Contract 4286, Rental Car Center Improvements, Phase 2, to the lowest responsive, responsible bidder, Dennis J. Amoroso Construction, Inc/TSM, A Joint Venture, the amount of \$4,090,628.
-------------	--

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance, explained that the purpose of this contract is to move the main customer service lobby, located on the first floor of the facility, to the fourth level of the facility for easy access from the AirTrain platform. This contract also includes wind barriers on the plaza level and incorporates a window washing system in the building.

Of the four bidders, two were found to be non-responsive. A bid protest was subsequently filed by A. Ruiz on the Amoroso/TSM bid on the grounds that they





did not meet the subcontracting goals. HRC has found that Amoroso made a good faith effort in meeting those goals.

\* \* \*

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item nos. 10 and 11, was moved by Commissioner Strunsky and seconded by Commissioner Crayton. The vote to approve was unanimous

10. Approve an Adjustment of Transportation Fee for the Consolidated Bus System Serving the SFO Rental Car Center

No. 01-0321	Resolution approving an adjustment of the transportation fee for the consolidated bus system serving the SFO Rental Car Center and authorizing the Rental Car Companies to implement the adjusted transportation fee effective Nov. 1, 2001.
-------------	--

Commissioner Crayton asked if this is passed through to the customer.

Mr. Rhoades responded that it is.

11. Rejection All Bids - Contract No. 3842 - North Terminal Boarding Area E and F Carpet Replacement

No. 01-0322	Resolution proposing to reject all bids for Contract 3842, North Terminal Boarding Area E and F Carpet Replacement.
-------------	---

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Mr. Ken Brayer, Brayer Electric is a subcontractor on the North Connector project. This coming Thanksgiving it will be two years since the job was completed, yet they are owed \$60,000 on retention. He also overran on the job and had to file a claim for equitable adjustment. The general contractor was Dillingham.

Most of the work done for general contractors is subcontractor work. When money is held from the general, money is held from the sub.

Commissioner Strunsky asked if the funds he is talking about is base contract work.



Mr. Brayer responded that it is.

Commissioner Mazzola asked Ms. Rosales to shed some light on these types of lawsuits that hold subcontractor money. He feels for subcontractors who perform the job and have their money withheld.

Ms. Rosales said that she would investigate the status of this particular subcontractor to find out if there is any way the money owed the subcontractor could be released.

Commissioner Strunsky said that the most important issue would be to determine if Dillingham has been paid its retention.

Mr. Brayer told the Commission that when Dillingham filed suit against the City he filed suit against Brayer Electric as well. However, Brayer Electric was not named in the City's countersuit.

Mr. Larry Tract spoke on behalf of Brayer Electric and thanked the Commission for its good faith and fair dealing.

Ms. Tara Houseman, United Taxicab Workers, explained that starting yesterday a new policy was instituted which cut down on the number of taxicab loading zones by 50%. The loading zones by Delta Airlines and American Airlines were eliminated entirely.

This can't be for security reasons because cars are still allowed to drive up to the curb, and the people coming out have already been through the security ringer.

This reduces by 50% the number of watchful eyes by the taxi starters that can monitor the curb space. ShuttlePort/Daja probably saves at least 50 man hours per day by eliminating these two areas. They are also closing the taxi lot at midnight rather than 1:30 A.M. ShuttlePort/DAJA is not meeting its performance guidelines.

This is a passenger-hostile move and has nothing to do with security. Passengers will be lost to shuttles and limos.

A passenger coming in on American Airlines will have to walk all the way to the far end of the North Terminal to get a taxicab ... a real burden on people with children and/or mobility problems. This action is a traffic hazard and will endanger pedestrians.

She asked that these zones be reinstated.

Cab drivers pay \$3.25 per taxi per ticket at SFO, or close to 15% of the cost of a ride to San Francisco and they are not allowed to pass any of that fee on to passengers. She would like to see at least 50% of that fee reduced since the curb space is reduced by that amount. The reduction in taxi curb space will also bottleneck the loading area so that fewer cabs can load at the two spaces allowed.

Further, cabs coming in at 11:00 P.M. pay their fee and are tossed out at midnight. Since cabs sit around longer than one hour at present, these cabs should be issued a



chit or voucher that can be used later on as free admission to the cab lot.

Ms. Rua Grafis, United Taxicab Workers, said, referring to her difficulty in reaching the speakers microphone, that it would be very difficult for someone with disabilities, or with children and luggage to have to make it to the far end of the North Terminal having arrived on an American Airlines flight.

She thanked the Airport for recently allowing cab drivers to drop off on the upper roadway. This is a great help to cab drivers and passengers alike.

With the elimination of the American and Delta curb space and closing the cab lot at 11:00 P.M. we are taking a step backwards. Only a limited number of cabs are allowed at the cab stands. Just last Saturday the Airport had to call a number of cab companies and request more cabs.

She asked that the cab lot remain open until 1:30 A.M., as was past practice, and reopen the Delta and American taxicab stands.

Commissioner Mazzola indicated that when the ShuttlePort/DAJA contract was approved it stipulated certain requirements, including manning taxicab stands.

Mr. Martin responded that our original plan was based on previous traffic. Since traffic is down 30% we need to cut our expenses and continue to generate revenue to pay for the cost of service. These are the types of trade-offs we will have to make in order to resolve our budget problems.

Commissioner Mazzola asked if the ShuttlePort/DAJA agreement is being renegotiated.

Mr. Martin responded that ShuttlePort/DAJA is paid on an hourly rate basis and they were directed to reduce staffing.

Commissioner Strunsky asked if there might be an opportunity to move the United Airlines cab stand closer to the American curb space so that the additional walk would be shared by both United and American passengers.

Mr. Martin responded that we will be taking a look at how we might be able to redistribute the zones. We are also consolidating other types of transportation zones. As traffic returns to previous levels our plan would be to restore these services. We are now allowing taxicabs to drop off on the upper level in the morning because traffic has fallen off and we no longer have traffic congestion on the upper level in the morning.

Landside Operations staff will be directed to get information out to taxi drivers and taxi companies regarding these new procedures and to make sure we can receive their input on an on-going basis to try and fine tune the service level. We appreciate their concerns.

Commissioner Ito agreed. This needs to be monitored closely so that as traffic increases we can accommodate passengers and cab drivers.

\* \* \*



K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 11:00 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 11:24 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:25 A.M.

  
Jean Caramatti  
Commission Secretary





# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

DOCUMENTS DEPT.

DEC 10 2001

SAN FRANCISCO  
PUBLIC LIBRARY

November 6, 2001

9:00 A.M.



ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**

Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
November 6, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Special meeting of October 11, 2001 and Regular meeting of October 16, 2001	01-0323	3
D.		SPECIAL ITEMS:		
	1.	Election of Officers	01-0325	3
	2.	Commendation - John Pfeifer	01-0324	3-4
E.		DIRECTOR'S REPORTS:		
	3.	Report on FY 2001-02 EEO Plan		4-5
F.		ITEMS INITIATED BY COMMISSIONERS:		5,13
G.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	4.	Modification No. 9 to Contract 5515A - Security & Special Systems - Security Systems Package - Amelco Electric	01-0326	6-7
	5.	Modification No. 2 to Contract 5703A, Phase 1 AirTrain Operating System - Bombardier (formerly known as Adtranz)		7
	6.	Modification No. 6 to Contract 5670A - Concourse H/AirTrain Station & North International Parking Garage - Tutor-Saliba	01-0327	7-9
H.		ITEMS RELATING TO ADMINISTRATION, OPERATION & MAINTENANCE:		
	7.	Exercise One-year Option to Renew Bond Counsel Contract - Orrick, Herrington & Sutcliffe, The Law Offices of Pamela S. Jue, The Law Offices of Leslie M. Lava, and Lofton & DeLancie	01-0328	9-10
I.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	8.	Modification No. 8 to Contract 5510 - New Boarding Area A - Professional Services		



	Agreement - Gerson/Overstreet, Architects	01-0329	10
9.	Modification No. 9 to Contract 5510CM - Boarding Area A & Related Projects Professional Services Agreement - Morse Diesel International/Arcost CPM Group/Cornerstone Concilium, Inc/Lee-Trenchard Consulting, A Joint Venture	01-0330	10
10.	Reject All Bids - Contract 3479 - Taxiways A and B Reconstruction - Taxiway F Extension	01-0331	10-11
11.	Award Consulting Contract - Lazard Freres & Co. LLC	01-0332	11
12.	Authorization to Solicit Proposals for Letter of Credit Provider in Connection with Commercial Paper Program	01-0333	11
13.	Modification No. 1 to Professional Services Contract 5500.2A - Airport Administrative Offices - TGA Architects	01-0334	11
14.	Modification No. 1 to Legal Services Agreement - Palmer & Dodge	01-0335	11-12
15.	Supplemental Appropriation of Airport Narcotics Forfeiture Fund	01-0336	12
16.	Reimburse Pacific Bell for Unforeseen Construction Conditions in Refurbishment and Installation of Equipment under Turn-Key Public Communications Concession Lease	01-0337	12
17.	Approve Funds for Services Rendered from Sept. 15, 2001 to Nov. 15, 2001 - Language Management Resources	01-0338	12
18.	Trial Period Extension for Portable DVD Players and Film Rental Service	01-0339	12-13
J.	NEW BUSINESS:		
	Boule Café		13-15
	Curb space		15
K.	CORRESPONDENCE:		15
L.	CLOSED SESSION:		
	Potential Litigation		15-16
M.	ADJOURNMENT:		16



# AIRPORT COMMISSION MEETING MINUTES

November 6, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the special meeting of October 11, 2001 and the regular meeting of October 16, 2001 were adopted unanimously.

No. 01-0323

\* \* \*

## D. SPECIAL ITEMS:

Commissioner moved the nominations of Henry Berman and Larry Mazzola as President and Vice President respectively. Commissioner Crayton seconded the nominations. The vote to approve the nominations was unanimous.

### 1. Election of Officers

No. 01-0325

Item No. 2 was moved by Commissioner Mazzola and seconded by Commissioner Crayton. The item was approved unanimously.

### 2. Commendation for Mr. John Pfeifer, Manager, FAA, San Francisco Airport District Office

No. 01-0324

Mr. John Martin, Airport Director said that Mr. John Pfeifer served as Manager





of the FAA San Francisco District Office for 14 years. He was with the Federal Government for 35 years, and has been in the San Francisco office for 25 years.

Mr. Pfeifer was responsible for leading the effort in obtaining approvals for the PART 150 noise compatibility study ... the first airport in the country to obtain that approval. He has signed off on \$182 million in grant funds for SFO.

Mr. Pfeifer has always conducted himself very professionally and was an excellent manager with whom to work.

Mr. Martin congratulated Mr. Pfeifer for his years of service and wished him well in his retirement.

\* \* \*

## E. DIRECTOR'S REPORTS:

### 3. Report on Fiscal Year 2001- 02 Plan

Report on the annual Airport EEO Plan. The EEO Plan for FY 2001-02 includes:

- EEO Program achievements for FY 2000-01
- EEO Program activities for FY 2001-02
- A work force review and utilization analysis of the Airport's Labor Force, department-wide, by division, by job category, race, and gender.

Ms. Theresa Lee, Deputy Director, Administration explained that it is the objective of the Airport that every person has an equal opportunity to compete for employment. To that end the Airport intends to promote practices that insure that all segments of the local community are aware of employment opportunities at the Airport and to review promotional practices to insure that everyone has an equal opportunity to compete for advancement.

The Airport EEO Office will monitor recruitment selection and promotional processes by using a variety of means to assess whether we are meeting our objectives. EEO will routinely review employment practices and policies to determine if it should be modified, its outreach efforts revised, to determine whether job qualifications are appropriately job related, and establish training or internship programs that takes steps to insure equal employment opportunity.

Commissioner Ito thanked Ms. Lee for the report. She noted that it appears that access to the Hispanic community has improved. She commended Ms. Lee for the number of community efforts for employment recruitment.

Given the current world situation, she is concerned about the protection of employees civil rights and treatment of people at the Airport.



Ms. Lee responded that last year the Commission approved a Tenant Diversity Initiative which gave the Airport the authority, where appropriate, to investigate discrimination complaints. There is continuous communication with our tenants.

With regard to the current security situation, the EEO office will step up its efforts to insure that tenants have the opportunity for training from our office or from the resources we can provide through consultants.

Commissioner Crayton commended Ms. Lee on the comprehensiveness of the report and the clarity regarding the delegation of responsibility regarding EEO and what we will and will not do.

Regarding recruitment activities, have we found any minority candidates that have been successful and hired.

Ms. Lee responded that the job Fair and the targeted hiring fairs have been very successful. Over the last fiscal year we have assisted in placing 150 new employees with our tenants.

Commissioner Crayton said that while we have made tremendous strides in hiring she is troubled by the glass ceiling with respect to people of color. She encouraged the Airport to try to do whatever it can to move people upward and to retain them. The majority of people of color are in the Maintenance Division. It is triple what other groups have been hired into.

She asked for staff to get back to her regarding the disparity.

Commissioner Ito also commented on the staff satisfaction survey and the feedback that staff wanted more training. She asked what kind of training they wanted. Local 21 has a training allowance for its membership. Is that fund being utilized for upward mobility?

Mr. Martin commented that even with our budget problems we are retaining almost all of our training funds.

Commissioner Crayton noted that the Airport was approached by San Francisco State regarding training collaboration and asked about its status.

Ms. Lee responded that she will report back to the Commission.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Mazzola presented Mr. Martin with his 20 year service pin.

\* \* \*

#### G. ITEMS RELATING TO MASTER PLAN PROJECTS:



Item No. 4 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The item was approved unanimously.

4. Modification No. 9 to Contract No. 5515A - Security and Special Systems - Security Systems Package - Amelco Electric - \$5,100,000

No. 01-0326

Resolution approving Modification No. 9 to Contract 5515A, Security & Special Systems - Security Systems Package, with Amelco Electric, in the amount of \$5,100,000 for the following:

- 1) Cancel replacement of 10 Stage 1 Perkin Elmer Z-Scan baggage screening devices with 10 Perkin Elmer Vivid VIS-108 screening devices at the International Terminal.
- 2) Purchase two Stage 3 Invision CTX-9000 explosive detection system devices and install in-line with the baggage conveyor system at the International Terminal. Purchase one State 3 CTX-6600 and install at International Departures Hall.
- 3) Design and prepare Airport facility for Networked Digital Video (NDV) System.

Funding source: 75% Grant Funds, and 25% Passenger Facility Charge.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction explained that this modification has to do with the enhancement of aviation security equipment and is responsive Airport's aviation security staff's careful assessment of the Airport's security needs in relation to current FAA requirements. The scope includes cancellation of the replacement of the Perkin Elmer Z-Scan machines with Perkin Elmer Vivid Screening Devices which the Commission approved at its October 2 meeting. The new screening plan is to replace the z-scans with CTX-9000/EDS (Explosive Detection System) devices in the near future. Also included is the purchase of two Stage 3 Invision CTX-9000 EDS devices and one Stage 3 CTX-5500 EDS device for installation at the International Terminal, and phase one of modification of the International Terminal's existing analog CCTV system to a digital system that will enhance review and processing time for security personnel, lower maintenance costs, and facilitate the development of a future-facial recognition system when it becomes available.

The modification has been reviewed and approved by the Capital Project Review Committee with funding being provided by AIP-13 Grant Funds and Passenger Facility Charges. There is no impact to Master Plan Program funds.

The MBE/WBE goals for this contract were 8% MBE and 2% WBE. At award, HRC approved 8.07% MBE and 2.12% WBE participation levels. Through this modification, the cumulative MBE/WBE participation levels will be 8% and 4% respectively.





Commissioner Strunsky asked if the units borrowed from the FAA could be switched over to domestic operations.

Mr. Ron Driscoll, Associate Deputy Director, Operations, responded that they cannot be switched over to the domestic side. The FAA has recalled those machines for placement in other airports.

Mr. Martin said that a proposal is being submitted to the FAA to obtain additional machines so that every piece of baggage, whether domestic or international, can be screened.

Item No. 5 was removed from the calendar.

5. Modification No. 2 to Contract No. 5703A, Phase I - AirTrain Operating System Bombardier (formerly known as Adtranz) - \$4,179,280

Resolution authorizing Modification No. 2 to Contract 5703A, AirTrain Operating System, with Bombardier in the amount of \$4,179,280 for work associated with design changes and unanticipated field conditions.

Funding will be provided from the Airport's Capital Improvement Program, transfer from another Master Plan project and from existing contract contingency with no impact to the Master Plan Baseline Budget.

Item No. 6 was moved by Commissioner Berman and seconded by Commissioner Crayton. The item was approved by a 4 to 1 vote with Commissioner Strunsky casting the dissenting vote.

6. Modification No. 6 to Contract No. 5670A - Concourse H/AirTrain Station & North International Parking Garage - Tutor-Saliba Corporation - \$2,383,973

No. 01-0327

Resolution approving Modification 6 to Contract 5670A, Concourse H/AirTrain Station & North International Parking Garage, with Tutor-Saliba Corp., in the amount of \$2,383,973, for changes related to BART requirements; Airport requirements; AirTrain Operating System requirements and design changes to facilitate construction. Funding sources are contract contingency and Airport's "up to \$200 million" contribution to the BART-SFO Extension Project.

Mr. Allen explained that the proposed modification provides for changes needed to accommodate BART requirements, Airport-initiated changes, and various





design changes to facilitate construction.

The modification has been reviewed and approved by the Master Plan Advisory Board. Funding will be provided from contract contingency and from the Airport's "up to \$200 million" contribution to the BART-SFO Extension Project. The cost has been included in cost forecasts presented to the Commission in the Master Plan Quarterly Reports. One more modification is anticipated to close-out this contract.

The MBE/WBE subcontractor participation goals of the base contract were 18% and 3% respectively. HRC approved MBE/WBE participation levels of 21.1% and 1.2% respectively. Through this modification, the cumulative participation levels will be 20.5% MBE and 1.5% WBE. The MBE participation level is slightly below the approved level but the base contract's goals remain unchanged for the ultimate MBE/WBE participation at the conclusion of the contract.

Commissioner Strunsky asked if we have any feedback from the City Attorney's Office regarding possible oversights. If the Commission approves this item are we approving oversights the Airport has previously made with respect to Tutor-Saliba's work?

Mr. Martin responded that he has not discussed this with the City Attorney's Office.

Commissioner Strunsky said that we will be approving a change order that may include terms and conditions that the City Attorney's investigation or witch hunt may uncover, or, may disagree with our procedures.

Mr. Martin responded that we are going down the same road, following the same extensive procedures, and the same checks and balances are in place to insure that everything is proper from the Commission's point of view.

Commissioner Crayton asked if any of these contracts are being held up waiting for review from the City Attorney's Office.

Commissioner Strunsky responded that they are not.

Commissioner Crayton asked if this contract will go forward once its approved.

Commissioner Strunsky responded yes.

Mr. Martin added that we are not formally closing out any contracts pending the City Attorney's final review.

Ms. Rosales explained that modifications continue to be processed in the normal fashion but the final payout on a contract is being held at the request of the City Attorney. This modification is not a close out. The Commission has approved three for close out, but final payment has not yet been made.

Commissioner Crayton was concerned that there are subcontractors that need to



be paid. They are small businesses and they will suffer if we don't act. She is very concerned and does not agree with holding up their money.

Commissioner Ito asked if there is a time line.

Ms. Rosales responded that she does not have one. The only time frame she has been given is pending the inquiry that is under way.

Commissioner Ito agreed that these concerns need to be communicated to the City Attorney.

Commissioner Crayton said that we have a responsibility to those subcontractors who will be hurt. She asked for information on financial impact ... what is waiting to be paid, and to whom.

\* \* \*

#### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 7 was moved by Commissioner Crayton and seconded by Commissioner Mazzola. The item was approved unanimously.

7. Exercising One-Year Option to Renew Bond Counsel Contract - Orrick, Herrington & Sutcliffe, The Law Offices of Pamela S. Jue, The Law Offices of Leslie M. Lava, and Lofton & De Lancia - \$1 million

No. 01-0328	Resolution authorizing exercising the second of two one-year options to renew the Bond Counsel Contract with Orrick, Herrington & Sutcliffe, LLP, as Lead, and The Law Offices of Pamela S. Jue, The Law Offices of Leslie M. Lava, and Lofton & De Lancia as rotating Co-Bond Counsel, and Disclosure Counsel, for an amount not to exceed \$1 million.
-------------	--

Mr. Bob Rhoades, Deputy Director, Business and Finance explained that in the past four years the Airport's bond counsel has participated in 12 financings for Near Term Master Plan, infrastructure, fuel, commercial paper and refunding purposes. Several of these financings, such as commercial paper and the refundings, were extremely complex. Counsel has done an outstanding job.

In 2002 the Airport expects to refund commercial paper, extend or substitute the commercial paper letter of credit, enter into forward purchasing agreements and engage in one or more variable rate financings and interest rate swaps. The latter three financing vehicles will be the first time the Airport has participated in that approach.

This year will also provide us with challenges with respect to financing and management of the Airport's operating budget.



The firm will also assist us in insuring a smooth transition with staff changes. They are providing their expertise in order to train new staff members in the Finance Department.

\* \* \*

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 8 through 18 was moved by Commissioner Crayton and seconded by Commissioner Strunsky. The item was approved unanimously.

8. Modification No. 8 to Contract 5510 - New Boarding Area A - Professional Services Agreement - Gerson/Overstreet, Architects, Inc. - \$128,195

No. 01-0329	Resolution authorizing Modification No. 8 to Professional Services Contract 5510, with Gerson/Overstreet, Architects, Inc. in the amount of \$128,195. Funding for this Modification will come from budget transfers.
-------------	---

Commissioner Strunsky asked if Item Nos. 8 and 9 were closed out.

Mr. Allen responded that Item No. 8 was paid for all services to date, however, since they are being retained for advice on the hotel, the contract is not being closed out. Item No. 9 is a close out.

9. Modification No. 9 to Contract 5510CM - Boarding Area A and Related Projects Professional Services Agreement - Morse Diesel International/Arcost CPM Group/Cornerstone Concilium, Inc./Lee-Trenchard Consulting, A J.V. - \$75,000

No. 01-0330	Resolution approving Modification No. 9 to the Professional Services Agreement, Contract 5510CM, Boarding Area A and Related Projects, with Morse Diesel International/Arcost CPM Group/Cornerstone Concilium, Inc./Lee-Trenchard Consulting, A Joint Venture, in the amount of \$75,000.
-------------	---

The modification provides additional funding for staffing to support contract close-out for New Boarding Area A and related projects. Funding for this Modification will come from budget transfers.

10. Reject all Bids - Contract No. 3479 - Taxiways A and B Reconstructions - Taxiway F Extension - \$9,100,000

No. 01-0331	Resolution rejecting all bids for Contract 3479, Taxiways A and B Reconstruction, Taxiway F
-------------	---



Extension, and authorizing the Director to re-bid when ready.

Commissioner Strunsky asked if we might want to ask the contractor to hold his bid for six months ... or are we convinced that this contract will not go ahead.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance responded that the contractor will hold his bid, however, the contract was bid to move Taxiways A and B away from the terminal. Since we do not yet know what we are going to do with Terminal 2 it doesn't make sense to move the taxiways at this time.

11. Award of Consulting Contract - Lazard Freres & Co. LLC - \$135,000

No. 01-0332 Resolution awarding consulting services contract to Lazard Freres & Co. LLC in connection with the Airport's Capital Program in an amount not to exceed \$135,000.

12. Authorization to Solicit Proposals for Letter of Credit Provider in Connection with the Commercial Paper Program

No. 01-0333 Resolution authorizing Airport staff to solicit proposals for Letter of Credit Provider in connection with the Commercial Paper Program.

13. Modification No. 1 to Professional Services Contract No. 5500.2A - Airport Administrative Offices - TGA Architects, Inc. - \$75,000

No. 01-0334 Resolution authorizing Modification No. 1 to the Professional Services Contract 5500.2A, with TGA Architects, Inc. in the amount of \$75,000. This Modification covers closeout of services for the Airport Administrative Offices. Funding for the Modification will come from the project budget.

14. Modification No. 1 to Legal Services Agreement - Palmer & Dodge - Increase Compensation by \$10,000

No 01-0335 Resolution approving Modification No.1 to Professional Legal Services Agreement with Palmer & Dodge to expand the scope of services to include litigation defense in U.S. ex rel Nguyen v. Cleveland Hopkins International Airport and to Increase compensation by the amount of \$10,000; all other terms and conditions of the contract to





remain in full force and effect.

15. Supplemental Appropriation of Airport Narcotics Forfeiture Fund - \$672,279

No. 01-0336                      Resolution approving Supplemental Appropriation Request.

16. Reimbursement to Pacific Bell for Unforeseen Construction Conditions in the Refurbishment and installation of Equipment under the Turn-Key Public Communications Concession Lease - Not-to-exceed \$50,000

No. 01-0337                      Resolution authorizing reimbursement to Pacific Bell for unforeseen construction conditions in the refurbishment and installation of equipment under the Turn-Key Public Communications Concession Lease in an amount not-to-exceed \$50,000.

17. Authorization to Approve Funds - Services Rendered from September 15, 2001 to November 15, 2001 - Language Management Resources - an MBE Joint Venture - Not-to-Exceed \$140,000

No. 01-0338                      Resolution approving funding from September 15, 2001 to November 15, 2001 for Language Interpretation Services Managed by Language Management Resources, an MBE Joint Venture, in an amount not-to-exceed \$140,000.

Commissioner Ito asked staff to review this item. Communication needs to be heightened right now and if we don't have the best resources available to us we will be in for problems.

Mr. Martin said that it will be reviewed. We will be reliant on airline employees providing this service now. We will monitor adherence to standards with the use of airline personnel. We will work with Customs and Immigration officers with regard to their observations of airline responsiveness when requests are made for translators.

A follow-up report will be provided.

18. Authorizing Trial Period Extension for Portable DVD Players and Film Rental Service - In-Motion Pictures

No. 01-0339                      Resolution authorizing trial period extension, month-to-month, for providing a portable DVD players and film rental service by In-Motion Pictures.



Commissioner Strunsky asked where they are located.

Mr. Martin responded that they are located at the entrance to Boarding Area F, right next to the bookstore.

\* \* \*

F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton said that she has received several complaints regarding screening and asked what we can do to shore up the independent contractor security operation at SFO.

Mr. Martin responded that the Quality Standards Program was put in place two years ago and it has served us well.

It is the public perception that security only takes place at the check points, however, that is only one element of the security program. We need a high level of redundancy and we need to continue to improve redundancy in our system. We have supported the FAA plan to require reinforced cockpit doors. We have a CATV system which follows passengers throughout the terminals. In addition, we regularly test security screeners and their performance.

Commissioner Strunsky said that it was important for the public to know that screeners are being tested.

Mr. Martin said that the higher wages paid in San Francisco have greatly reduced the turnover rate. Further, the screening companies have raised salaries 30%, to \$15 per hour.

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

Ms. Loretta Whittle, Boule Café, and David Winn of W.H. Smith said that they have been asking for tables and chairs for the front of their café. They are in a secluded area of the Airport and their business is down 50% to 55%. She is a small business and her life is invested in the new International Terminal.

Located at the BART station, they receive perhaps 2% of the traffic coming through the Airport.

W.H. Smith is supportive of this request.



Ms. Whittle said that she has a five year lease. Total investment for the lease was \$1.5 million of which she paid 30%.

Mr. David Winn, District Manager for W.H. Smith said that his company fully supports Ms. Whittle's request for tables and chairs in front of the café.

He requested a five year extension on their lease in order to recover their investment.

Mr. Winn also asked that any communication coming from the Airport also be provided directly to Ms. Whittle.

Commissioner Crayton asked who will respond to Ms. Whittle.

Mr. Martin said that he has responded to earlier letters from Ms. Whittle. Both he and Mr. Rhoades will continue to keep her informed directly.

Commissioner Ito commented that Ms. Whittle was told that tables and chairs in front of her facility were not part of the bidding process, yet other concessions were allowed to do so.

Mr. Rhoades explained that the original intent of this lease was a bookstore. The café concept was added as part of the process. Restaurants have been allowed to expand under the terms and conditions of the lease because they are food and beverage leases. Tomokazu and Deli-up, both located in Boarding Area G, and both food facilities, have tables outside of their facilities.

There are several issues with respect to whether or not chairs and tables are appropriate in front of the bookstore. From a bid point of view it was envisioned that a café would not be anything more than a small piece of the bookstore. The Fire Marshal has expressed concerns as to what is appropriate in front of that area because it is not very wide. He will look at it again.

With regard to distribution, the subs should be copied on any correspondence.

When we sought to suspend the minimum annual guarantees during this crisis period he mentioned that we may want to look at lease extensions because of the exorbitant construction costs. Extensions are worth looking at so that these businesses can recover their investments. A recommendation will be made to the Director after the first of the year.

Commissioner Strunsky asked if we have had any expressions of concern about this issue from other food and beverage tenants.

Mr. Rhoades responded that food court tenants have expressed concern. Some did not realize there was a food concession in the bookstore and feared this would affect their businesses.

Commissioner Crayton said that she was not clear about their objections. Unless there is a violation according to the Fire Marshal, she would like to try to help Boule Café.



Mr. Martin said that if anything is done it will have to be very small ... in the neighborhood of three to five feet. Twenty tables is unacceptable. This would be precedent setting. All of the other concessionaires in that area of the building will want the same thing. Retail concessions have always been held to the lease line. We have not allowed the sprawl of merchandise outside of the store as occurs in many airports.

We will take a look at it, however, firm rules will have to be in place.

Commissioner Strunsky asked when BART anticipates starting up service.

Mr. Martin responded that BART continues to tell us December 2002, but we believe that it's likely to be 2003.

Mr. Eric Johnson, representing Airport Express, said that loop fees have increased from \$1.25 to \$3.50 because of the Curbside Management Program. That program has been cut.

He requested one zone for shuttles, as the taxicabs operate. He also requested a reduction in loop fees.

Mr. Martin reminded the Commission that the Airport took over the curbside function. In the past, operators paid directly for dispatching at the curb. We now provide that service. The fee achieves full cost recovery.

Following the 9/11 attack we reduced the cost of Curbside Management because the number of trips had gone down. Landside Operations and Finance are reviewing those numbers to see exactly where we are.

Mr. Arik Sharabi, Airport Express, said that curb management was reduced but no thought has been given to consolidating the zones. Costs could be reduced if the three existing zones were merged.

Ms. Whittle said that Mr. Martin and Mr. Rhoades have done a great job during this very difficult time. She noted that the Fire Marshal is familiar with her space.

\* \* \*

K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

L. CLOSED SESSION:

The Commission did not go into closed session.

The Airport Director informed the Commission that it was not necessary to go into closed session.





Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:03 A.M.

  
Jean Caramatti  
Commission Secretary



145  
11/20/01

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

DOCUMENTS DEPT.

DEC 21 2001

November 20, 2001

9:00 A.M.

SAN FRANCISCO  
PUBLIC LIBRARY

ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
November 20, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of November 6, 2001	01-0340	3
D.		ITEMS INITIATED BY COMMISSIONERS:		
		Aviation Bill		3-4
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	1.	Modification No. 2 to Contract 5703A, Phase 1 - AirTrain Operating System -Adtranz	01-0341	4-5
	2.	Rescind Award of Contract 4378 - SFIA Wastewater Treatment Plant Expansion - S.J. Amoroso	01-0342	5
	3.	Award of Luggage Cart Lease and Operating Agreement - Smarte Carte, Inc.	01-0343	5-7
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	4.	Modification No. 3 to Contract 5500G - International Terminal Escalators and Moving Walks - Montgomery Kone, Inc.	01-0344	7
	5.	Rescind Award - Contract 4200 - North Terminal Power Distribution System Improvement - Millard Tong Construction	01-0345	7
	6.	Reject All Bids -Contract 4061A - Airport Industrial Waste System Improvements	01-0346	8
	7.	Reject All Bids - Contract 4372 - Airport-wide As-needed Utility Replacements	01-0347	8
	8.	Bid Call - Contract 3384D - Taxiway Z Bypass	01-0348	8
	9.	Approval of Rent Credit for Construction of New Storefronts in Two Food and Beverage Facilities		



	in Terminal 3 - Host International	01-0349	8
10.	Reimburse Japan Airlines for Provision of Security Guard Services for Airport Administration	01-0350	8
11.	Temporary Reduction of Storage Space Permit Rates for Concession Tenants	01-0351	8
12.	Exercise Contract Option with Polaris Research & Development, Inc. Extending Contract to Conduct Airport Passenger Surveys for San Francisco Airport for Calendar Year 2002	01-0352	9
13.	Approval of Lease for Office Space at West Field Cargo Building 1 - U.S. Department of Agriculture	01-0353	9
G.	PUBLIC HEARING:		
14.	Revised Noise Abatement Regulation - Article 1, Rule 1.12.0	01-0354	9
H.	NEW BUSINESS:		
	Pacific State Airline Services		9-10
I.	CORRESPONDENCE:		11
J.	CLOSED SESSION:		
	Pending Litigation: CCSF thru Airport Commission v CalStar Retail, Inc.		11
	Potential Litigation		11
K.	ADJOURNMENT:		11





# AIRPORT COMMISSION MEETING MINUTES

November 20, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Caryl Ito

Absent:	Hon. Linda S. Crayton
---------	-----------------------

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 6, 2001 were adopted unanimously.

No. 01-0340

\* \* \*

## D. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito asked about the Aviation Bill just passed by Congress and signed by the President ... what is the transition plan, when will it be implemented, what will the transition gaps be?

Mr. Martin responded that there are a lot of questions needing answers. He should have an initial report to the Commission next week on the impact to the Airport and will continue to provide updates as this unfolds over the coming year. Some of the dates established by Congress will be very difficult to meet. Citizenship for security screeners will certainly be a big issue in San Francisco.

Commissioner Mazzola asked about the ability to opt out of the program.

Mr. Martin responded that an airport can opt out after two or three years, however, Federal employees must be used for the first two or three years.

Commissioner Strunsky said that he was concerned that existing staff will be depleted as they look for employment elsewhere. He asked for ideas regarding actions we might consider to make it attractive to keep employees in place.



Mr. Martin responded that almost all screeners at SFO are paid \$13.00, which is the highest salary in the country. He imagined that the security screening companies will have to pay an incentive or bonus to screeners to work until the last date. He will follow up with that.

\* \* \*

E. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Modification No. 2 to Contract 5703A - Phase I - AirTrain Operating System Adtranz - \$3,887,937

No. 01-0341

Resolution authorizing Modification No. 2 to Contract 5703A, AirTrain Operating System with Adtranz, in the amount of \$3,887,937 for work associated with design changes and unanticipated field conditions.

Funding will be provided by a transfer from another Master Plan project and from existing contract contingency, with no impact to the Master Plan Baseline Budget.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction, explained that this modification includes various changes needed to accommodate design revisions and unanticipated field conditions related to completion of the AirTrain Guideway and Stations, AirTrain Maintenance and Storage Facility, and AirTrain Vehicles.

Funding will be provided by a transfer from another Master Plan project and the contract contingency budget. These costs have been included in the cost forecast presented to the Commission as part of the quarterly reports. The Master Plan Advisory Board has reviewed and approved this modification.

The MBE/WBE subcontracting goal for this contract was 10% combined MBE/WBE. At award, the Human Rights Commission approved a combined 15.29% MBE/WBE participation level, which will be maintained through this modification.

Commissioner Strunsky asked if this job is on schedule.

Mr. Allen responded that the contract has run into difficulties with development of various components related to the operating system. The schedule now anticipates operation by August or September 2002.

Commissioner Strunsky thought it was supposed to be operational in June.



Mr. Allen responded that the original completion date was May.

Commissioner Strunsky asked if liquidated damages were available under this contract.

Mr. Allen responded that they are.

Commissioner Strunsky wanted to maintain enough funds on this job in order to cover any liquidated damages that might be assessed this contractor.

Item No. 2 was moved by Commissioner Ito and seconded by Commissioner Strunsky. The vote to approve was unanimous.

2. Rescind Award of Contract No. 4378 - SFIA Wastewater Treatment Plant Expansion - S.J. Amoroso Construction Co., Inc. - \$41,117,600

No. 01-0342	Resolution rescinding the award of Contract No. 4378, SFIA Wastewater Treatment Plant Expansion to S.J. Amoroso Construction Co., Inc., in the amount of \$41,117,600.
-------------	--

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that Contract No. 4378 was awarded to S.J. Amoroso Construction on August 21, 2001. The contract would have upgraded and expanded the sewage and industrial treatment plants at a cost of \$41,117,600. Since that award the Airport's finances have been extremely taxed as a result of the September 11 attacks.

Contract specifications allow us to cancel the award if the contract is not certified by the City Controller within 90 days of award, with no liability to the Commission. That 90 day period is up.

Staff intends to put together a new bid package at approximately one tenth the cost of this contract to meet the immediate needs of our treatment requirements. The contract will probably be out within three or four months of design. The system will prefilter the water coming into the two plants to meet our current needs.

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Award Luggage Cart Lease and Operating Agreement - Smarte Carte, Inc. - \$10,636,000

No. 01-0343	Resolution approving award of the Luggage Cart Lease and Operating Agreement to Smarte Carte, Inc., for an initial term of five years in an amount not to exceed \$10,636,000.
-------------	--



Mr. Bob Rhoades, Deputy Director, Business and Finance noted that there are two changes to this item ... the first change raises the amount to \$10,636,000. The second change is on page two of the item which lists the number two company as Top Cart LLC ... it should be Airport Carts LLC.

Three proposals were received on July 21, 2001 ... Smarte Carte, Inc., Airport Carts LLC and Top Cart LLC. Staff determined that Top Cart, LLC did not meet the minimum qualification requirements. A three member panel comprised of Airport staff evaluated and scored the proposals based on the following criteria ... operations plan, experience and assigned staff, equipment, service fees and base rent. The same panel subsequently evaluated and scored the presentation interview portion of the process. That consisted of a presentation by the proposer, pre-set questions, and a practical demonstration of the luggage cart being proposed.

Smarte Carte, Inc. scored 83.5 points and Airport Cart, LLC scored 70.2 points.

Smarte Carte presented three different types of braking mechanisms for the carts. The Airport will choose the one most appropriate for our facilities.

The fee rent structure is a flat fee for the free cart in Customs program. The minimum annual guarantee is \$450,000 or 15% of gross receipts. For the first year of the contract the cost includes not only the free cart in customs program, but also continues to provide free carts at the Rental Car Facility (RAC) until the AirTrain system is operational so that RAC customers do not pay for carts twice.

The fee structure also provides for a \$35,000 contingency which would be used in the event there are difficulties with AirTrain once it is operational.

Mr. Bob McCarthy, McCarthy and Schwartz on behalf of Smarte Carte, thanked Mr. Martin, Mr. Rhoades and Patty Maitland who patiently answered all of the questions of all of the competitors.

All Smarte Carte employees are members of Teamsters Local 605, 97% of their workforce is minority, and they were participants and extended full equal benefits to their employees before it was the law in San Francisco.

Smarte Carte worked hard with staff to come up with a design that would be appropriate and safe for both the new International Terminal as well as AirTrain.

Mr. Johnny Chu, Vice President, Smarte Carte, said that in the last 20 years San Francisco Airport has led airports in baggage cart innovative design, services, and benefits to employees.

In 1980 San Francisco was the first airport in the country to introduce a chrome pull cart to the traveling public. In 1986 SFO was the first airport in the country to introduce a stainless steel pull cart. In 1990, Smarte Carte introduced the first push style cart at SFO. The Airport staff was instrumental in the development of that cart. The push cart is now used across the country.





On Herb Caen Day, June 14, 1996, Robin Williams presented a personalized, gold plated baggage carte to Herb Caen on Smarte Carte's behalf celebrating the 10 year anniversary of SFO's introduction to free carts in Customs.

In 1997, domestic partner benefits were extended to employees in San Francisco and subsequently to employees across the country, again establishing SFO as the leader among the nation's airports.

In 2002, Smarte Carte will introduce the first push carte with a hand brake design at SFO.

Commissioner Strunsky asked why the annual net fee in year two is down about \$400,000?

Mr. Rhoades responded that since AirTrain will be operational, the free cart program at the RAC will not be necessary.

\* \* \*

#### F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 through 13 was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

4. Modification No. 3 to Contract No. 5500G - International Terminal Escalators and Moving Walks - Montgomery Kone, Inc. - \$137,827

No. 01-0344	Resolution approving Modification No. 3 to Contract 5500G, International Terminal Escalators and Moving Walks, with Montgomery Kone, Inc. in the amount of \$137,827 for design changes to facilitate construction and unanticipated conditions.
-------------	--

Funding shall be provided by BART and Capital Improvement Project budgets.

Commissioner Strunsky asked if this was a final close out.

Mr. Allen responded that it is.

5. Rescind Award - Contract No. 4200 - North Terminal Power Distribution System Improvement - Millard Tong Construction Co. - \$1,523,000

No. 01-0345	Resolution rescinding the award of Contract No. 4200, North Terminal Power Distribution System Improvement to Millard Tong Construction Co., in the amount of \$1,523,000.
-------------	--



6. Reject all Bids - Contract No. 4061A - Airport Industrial Waste System Improvements - \$1,500,000
- No. 01-0346 Resolution rejecting all bids for Contract 4061A, Airport Industrial Waste System Improvements, and to authorize the Director to re-bid this contract when ready.
7. Reject All Bids - Contract No. 4372 - Airport-Wide As-Needed Utility Replacements - \$1,020,000
- No. 01-0347 Resolution rejecting all bids for Contract 4372, Airport-wide As-needed Utility Replacements, and to authorize the Director to re-bid when ready.
8. Bid Call - Contract No. 3384D - Taxiway Z Bypass
- No. 01-0348 Resolution approving the scope, budget, and schedule for Contract 3384D, Taxiway Z Bypass, and authorizing the Director to call for bids when ready.
9. Approval of Rental Credit for Construction of New Storefronts in Two Food and Beverage Facilities in Terminal 3 - Host International, Inc. - \$256,480
- No. 01-0349 Resolution approving a rent credit in an amount not-to-exceed \$256,480 to Host International, Inc. for construction of new storefronts in two food and beverage facilities located in Terminal 3.
10. Reimbursement to Japan Airlines for Provision of Security Guard Services for Airport Administration - Not to exceed \$35,000
- No. 01-0350 Resolution approving reimbursement to Japan Airlines for provision of security guard services for the Airport Administration Office for an amount not to exceed \$35,000 for services starting November 13, 2001 through June 30, 2002.
11. Temporary Reduction of Storage Space Permit Rates for Concession Tenants
- No. 01-0351 Resolution to temporarily reduce the storage space permit rates for Concession Tenants.



12. Exercise Contract Option with Polaris Research & Development, Inc. Extending Contract to Conduct Airport Passenger Surveys for San Francisco Airport for Calendar Year 2002 - \$89,000

No. 01-0352                      Resolution exercising first of three-one year options to extend contract with Polaris Research & Development, Inc. to implement Airport survey work for the year 2002 in an amount not-to-exceed \$89,000

13. Approval of Lease for Office Space at West Field Cargo Building I - U.S. Department of Agriculture

No. 01-0353                      Resolution approving and authorizing the execution of a lease with the U.S. Department of Agriculture for office space in West Field Cargo Building I.

\* \* \*

#### G. PUBLIC HEARING:

The Public Hearing was convened at 9:25 A.M. and closed at 9:28 A.M., there being no requests from the public to speak.

14. Revised Noise Abatement Regulation - Article 1. Rule 1.12.0

No. 01-0354                      Resolution revising the Noise Abatement Regulation, Article 1., Rule 1.12.0.

Mr. Mike McCarron, Noise Abatement Officer, explained that this regulation cleans out old regulations that have been superceded by Federal Law as a result of the Airport Noise Capacity Act of 1990.

Many of the current Federal and State laws are the result of what was initiated in San Francisco.

This amendment also provides for a fine structure for aircraft at the International Terminal that do not use the ground power and pre-conditioned air systems which reduce the noise impact to communities surrounding the Airport.

\* \* \*

#### H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.



Mr. Victor Paras, Skycap, Pacific State Airline Services, asked the Commission to reinstate the Airport's contract with Pacific State Airline Services. Pacific State Airline Services has assisted passengers in getting off parking lot and hotel shuttles on the center island since 1993. Their contract has been suspended.

Mr. Efen De Guzman, Skycap, Pacific State Airline Services, asked the Commission to reinstate their contract.

Mr. Martin explained that this is one of many contracts that has been cut as a result of our budget shortfall of over \$100 million. We hope that when traffic returns to normal we can begin to restore some of these valuable services.

Commissioner Strunsky asked how many people are in this contract.

Mr. Paras responded that there are 22 skycaps on various work schedules. Work schedules range from as low as five hours a week to as high as 35 hours a week. We used to have 2-1/2 hour shifts in the morning.

Commissioner Mazzola asked if this contractor performed any other work at the Airport.

Mr. Martin responded that it does not.

Commissioner Mazzola asked Ms. Paras if he is able to collect unemployment.

Mr. Paras responded that he is not because his contract is temporarily suspended.

Commissioner Mazzola asked Mr. Martin if there is anything we can do.

Mr. Martin said that he will follow up with the owner of the company. We have tried to outreach to employees who have been laid off to use our Employment Development Center. Some companies, such as security screening companies, are still hiring and we are trying to help employees make that connection.

Commissioner Ito asked if Pacific State provides these services to other airports.

Mr. Paras responded that they used to assist USAir and TWA, but they lost those contracts as well.

Mr. Martin added that we would prefer to have this service in place, but it is not essential to operating the Airport. These are the hard choices we have had to make to deal with our financial problems.

Commissioner Strunsky asked if these are primary jobs for these employees. Some work as little as five hours a week.

Mr. Paras responded that half of them have supplemented with part time jobs.

Commissioner Mazzola said that looking into the unemployment issue will be a step in the right direction.





\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:37 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled CCSF through its Airport Commission v CalStar Retail, Inc., San Mateo Superior Court No. 417869; and Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

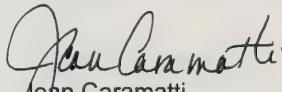
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:15 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:16 A.M.

  
Jean Caramatti  
Commission Secretary



45  
1/4/01

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

December 4, 2001

9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

DOCUMENTS DEPT

DEL 7 8 2001

SAN FRANCISCO  
PUBLIC LIBRARY

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
December 4, 2001

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of November 20, 2001	01-0355	3
D.		SPECIAL ITEM:		
	1.	Retirement Resolution - Deputy Chief Gary Pisciotto	01-0356	3
E.		ITEMS INITIATED BY COMMISSIONERS:		3-4
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	2.	Modification No. 8 to Contract 5500F - International Terminal Baggage System - BAE Automated Systems, Inc.	01-0357	4
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	3.	Authorization for Director to Negotiate and Enter into Master Agreement with Wildlands, Inc. for Option to Purchase Habitat Mitigation Credits for Airfield Development Program; and Authori- zation to Commence Phase A of Agreement	01-0358	4-5
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	4.	Modification No. 5 to Contract 5500.5 - Professional Services Agreement - Consolidated Engineering Laboratories	01-0359	5
	5.	Modification No. 1 to Contract with Bank of New York Western Trust Company	01-0360	5
	6.	Adoption of Employee Parking Charges & Fees	01-0361	5
	7.	Exercise Second and Final One-Year Option of Wells Fargo Bank ATM Services Lease	01-0362	6
	8.	Exercise Second and Final One-Year Option of		



	Bank of America ATM Services Lease	01-0363	6
9.	Substitution of American Airlines, Inc. for Trans World Airlines, Inc. for Previously Approved Reimbursement for Cost of Providing Interim Bus Service to West Field Parking Garage	01-0364	6
I.	NEW BUSINESS:		6
J.	CORRESPONDENCE:		6
K.	CLOSED SESSION:		
	Pending Litigation: CCSF through Airport Commission v CalStar Retail, Inc.		6
	Potential Litigation		6
L.	ADJOURNMENT:		6





## AIRPORT COMMISSION MEETING MINUTES

December 4, 2001

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Michael S. Strunsky  
Hon. Caryl Ito

Absent: Hon. Larry Mazzola, Vice President  
Hon. Linda S. Crayton

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 20, 2001 were adopted unanimously.

No. 01-0355

\* \* \*

### D. SPECIAL ITEM:

Item No. 1 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

#### 1. Retirement Resolution - Deputy Chief Gary Pisciotto

No. 01-0356

Mr. John Martin, Airport Director, told the Commission that Deputy Chief Pisciotto has been with the City for 31 years, the last five of which were spent at the Airport. Deputy Chief Pisciotto has had a distinguished career in the San Francisco Police Department where he earned two bronze medals of Valor, a Police Commission Commendation, and numerous Captain's Commendations.

We wish Deputy Chief Pisciotto well in his retirement.

\* \* \*

### E. ITEMS INITIATED BY COMMISSIONERS:



There were no items initiated by Commissioners.

\* \* \*

#### F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

2. Modification No. 8 to Contract No. 5500F - International Terminal Baggage System - BAE Automated Systems, Inc. - \$3,850,000

No. 01-0357                      Resolution approving Modification No. 8 to Contract 5500F, International Terminal Baggage Systems, with BAE Automated Systems, Inc., in the amount of \$3,850,000. Funding source is budget transfers and contract contingency. This is the final modification to close out the contract.

Mr. Mike Allen, Deputy Director, Bureau of Design and Construction, explained that this modification to the baggage system contract provides for the final settlement of amounts owing to the contractor for changes to the scope of work and impacts due to unforeseen conditions.

Funding sources include budget transfers and contract contingency.

The original Human Rights Commission combined goal for this contract was 5%. The contractor, BAE, was credited with 5.28% by the HRC at time of award. The participation level through this modification is 9.04%, exceeding both the original goal and the contractor's commitment at award. This is the final closeout modification.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 3 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

3. Authorization for the Airport Director to Negotiate and Enter into a Master Agreement with Wildlands, Inc. for the Option to Purchase Habitat Mitigation Credits for the Airfield Development Program - \$9,429,300  
Authorization to Commence Phase A of of Agreement - Not-to-Exceed \$2,142,300

No. 01-0358                      Resolution authorizing the Airport Director to negotiate and enter into a Master Agreement with Wildlands, Inc. for the option to purchase habitat mitigation credits in an amount not to exceed \$9,429,300, and proceed with Phase A in an



amount not to exceed \$2,142,300.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 4 through 9, were moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Modification No. 5 to Contract No. 5500.5 - Professional Service Agreement Consolidated Engineering Laboratories - \$115,251

No. 01-0359

Resolution approving Modification No. 5 to the Consolidated Engineering Laboratories Contract 5500.5 for professional services covering additional material testing and special inspection for the International Terminal General Construction (Task 1) and adding Task 4 to the agreement for material testing and inspection for Airport Rental Car Center Improvements, Phase 2 in the amount of \$115,251.

This is the final modification covering outstanding costs and will close out Task 1 to Contract No. 5500.5.

Funding for this modification will come from budget transfers.

5. Modification No. 1 to Contract with Bank of New York (BNY) Western Trust Company - \$600,000

No. 01-0360

Resolution approving Modification No. 1 to contract with Bank of New York (BNY) Western Trust Company from annual fees of \$52,000 to fees not-to-exceed \$600,000 for a five-year period (\$120,000 annually).

6. Adoption of Employee Parking Charges and Fees

No. 01-0361

Resolution approving the following charges and fees for employees parking.

- \$50.00 per card to replace lost or stolen proximity cards.
- \$10.00 per day for users overstaying parking limit.
- \$10.00 per day charge for as needed employee parking at the terminal garages.



7. Exercise the Second and Final One-year Option of Wells Fargo Bank ATM Services Lease

No. 01-0362

Resolution exercising the second and final one-year option to extend the term of Wells Fargo's Automated Teller Machine Services Lease.

8. Exercise the Second and Final One-year Option of Bank of America ATM Services Lease

No. 01-0363

Resolution exercising the second and final one-year option to extend the term of Bank of America's Automated Teller Machine Services Lease.

9. Substitution of American Airlines, Inc. for Trans World Airlines, Inc. for Previously Approved Reimbursement for Cost of Providing Interim Bus Service to the West Field Parking Garage

No. 01-0364

Resolution approving substitution of American Airlines, Inc. for Trans World Airlines, Inc. for previously approved reimbursement for the cost of providing bus service to the West Field Garage.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests to speak from the public.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.





The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:20 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled CCSF through its Airport Commission v CalStar Retail, Inc., San Mateo Superior Court No. 417869; and Government Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

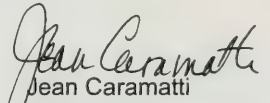
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 9:32 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:33 A.M.

  
Jean Caramatti  
Commission Secretary



15  
18/01

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

DOCUMENTS DEPT.

JAN 28 2002

SAN FRANCISCO  
PUBLIC LIBRARY

December 18, 2001

9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
December 18, 2001

CALENDAR AGENDA		RESOLUTION	
SECTION	ITEM	TITLE	PAGE
A.		CALL TO ORDER:	3
B.		ROLL CALL:	3
C.		ADOPTION OF MINUTES:	
		Regular meeting of December 4, 2001	01-0366 3
D.		ANNOUNCEMENT BY SECRETARY:	3
E.		ITEMS INITIATED BY COMMISSIONERS:	
		Aviation Security Bill	3-4
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:	
	1.	Modification No. 16 to Contract 5510E - Boarding Area A General Construction - Hensel Phelps Construction Co.	01-0367 4-5
	2.	Modification No. 12 to Contract 5900D - Elevated and Surface Circulation Roadways - Myers/ Kulchin-Condon, A Joint Venture	01-0368 5
	3.	Modification No. 9 to Contract 5950AR - Improvements to Central Plant - Hopkins Heating & Cooling, Inc.	01-0369 5-6
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:	
	4.	Award of Commercial Paper Letter of Credit Contract	01-0370 6-7
	5.	Rescind Resolution 01-0331 Rejecting All Bids for Contract 3479, Taxiways A & B Reconstruction Taxiway F Extension and Award Contract 3479 to Granite Rock Construction dba Pavex	01-0371 7
	6.	Modification to Reimbursement Agreement with SFO Terminal Equipment Company for Certain Common Use Terminal Equipment Maintenance Services	01-0372 7-8
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:	



7.	Supplemental Appropriation of Interest Income	01-0373	8
8.	Authorization to Issue Request for Proposals for Investment Banking Services	01-0374	8
9.	Amend CalTrain-SFO shuttle Contract to Provide Reduced Charges to Airport	01-0375	8-9
10.	Authorization to Purchase Airline Equipment from American Airlines, Inc.	01-0376	9
I.	NEW BUSINESS:		9
J.	CORRESPONDENCE:		9
K.	CLOSED SESSION:		
	Pending Litigation: CCSF thru Airport Commission v CalStar Retail		9-10
	Potential Litigation		9-10
L.	ADJOURNMENT:		10





# AIRPORT COMMISSION MEETING MINUTES

December 18, 2001

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Caryl Ito

Absent: Hon. Linda S. Crayton

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 4, 2001 were adopted unanimously.

No. 01-0366

\* \* \*

- D. ANNOUNCEMENT BY SECRETARY: Unanimous adoption of Resolution No. 01-0365 regarding the settlement of agreement relating to CCSF, Airport Commission v. CalStar Retail, Inc. in the amount of \$350,000 at the closed session of December 4, 2001.

Ms. Mara Rosales, Airport General Counsel explained that the Board of Supervisors turned down this settlement by a vote of 7 to 2 at its December 10 meeting. This potential litigation will be discussed in closed session later in the calendar.

\* \* \*

## E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito acknowledged Mr. Martin's leadership and quick response regarding some of the requirements of the new Aviation Security Bill and expressed her concerns about the citizenship requirement. She understands that there has been a lot of work and cooperation with Senator Feinstein's office regarding this issue. She suggested a resolution at the next meeting formally taking the position that the Commission is in



support of the work that is taking place to ameliorate some of the obstacles being created for screeners who are not citizens and support and urge Senator Feinstein, who introduced a bill this week, to try to assist those who are in the process of becoming citizens.

Mr. Martin said that he will prepare a resolution for the next meeting, as well as a letter for Commission President Berman's signature on behalf of the Commission.

\* \* \*

#### F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item No. 1 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

1. Modification No. 16 to Contract No. 5510E - Boarding Area A General Construction - Hensel Phelps Construction Co., Inc. - \$5,238,000

No. 01-0367	Resolution approving Modification No. 16 to Contract No. 5510E, Boarding Area A General Construction, with Hensel Phelps Construction Co., Inc., in the amount of \$5,238,000, for time-related impacts. The funding source is budget transfers from other Master Plan projects.
-------------	--

Mr. Ivar Satero, Project Manager, Bureau of Design and Construction, explained that this modification provides for costs incurred due to time-related impacts resulting from the cumulative effect of changes on the contract. With this modification, the contractor agrees to provide the agreement and release of any and all claims from the general contractor and subcontractors, with the exception of Honeywell.

Honeywell negotiations are in progress and, upon successful completion of negotiations, additional costs will be included in the next specification, which will be the final and close-out modification.

Funding will be provided from budget transfers from other Master Plan projects.

All costs have been included in the quarterly forecasts presented to the Commission.

The base contract provided for 15% MBE and 6% WBE participation goals. The contractor submitted participation levels of 12.3% MBE and 2.2% WBE and demonstrated sufficient good faith efforts which were accepted by the Human Rights Commission. This modification provides for 10.8% MBE and 2.3% WBE. The HRC goals for the contract remain unchanged.

Commissioner Strunsky said that staff should not return to the Commission with a settlement for Honeywell without being sure that it is satisfactory. Honeywell is trying to put a gun to our heads. As far as he is concerned, we can negotiate



this for some time.

Item No. 2 was moved by Commissioner Strunsky and seconded by Commissioner Mazzola. The vote to approve was unanimous.

2. Modification No. 12 to Contract 5900D - Elevated and Surface Circulation Roadways - Myers/Kulchin-Condon, a Joint Venture - \$894,966.37

No. 01-0368	Resolution approving Modification No. 12 to Contract 5900D, Elevated and Surface Circulation Roadways, with Myers/Kulchin-Condon, a Joint Venture, in the amount of \$894,966.37 for various change order work items to close out the contract. Funds are available in the existing project budget with no impact to the Master Plan Baseline Budget.
-------------	---

Mr. Satero explained that this close out modification provides for costs related to outstanding payment issues, reconciled direct labor costs on previous changes, as well as time-related impacts due to the cumulative affect of changes to the contract.

With this modification, the contractor agrees to provide the agreement and release of any and all claims from the general contractor and subcontractors on this contract.

Funding will be provided from budget transfers from other Master Plan projects.

All costs have been included in the quarterly forecasts presented to the Commission.

The base contract provided for 19.8% MBE and 10.9% WBE participation goals. Through this modification the contractor will have achieved 16.7% MBE and 15.5% WBE participation levels. The Human Rights Commission goals for the contract remain unchanged.

Item No. 3 was moved by Commissioner Mazzola and seconded by Commissioner Strunsky. The vote to approve was unanimous.

3. Modification No. 9 to Contract No. 5950AR - Improvements to Central Plant Hopkins Heating & Cooling Inc., - \$837,937

No. 01-0369	Resolution approving Modification No. 9 to Contract No. 5950AR, Improvements to Central Plant, with Hopkins Heating & Cooling Inc., in the amount of \$837,937 for additional work related to design revisions, Airport requested revisions and unforeseen conditions. The funding will be
-------------	--



provided from project contingencies.

Mr. Satero explained that this close out modification provides for costs incurred due to design revisions, Airport-requested changes, unforeseen site conditions, and administrative revisions. It also provides for time-related costs resulting from differing site conditions.

With this modification, the contractor agrees to provide the agreement and release of any and all claims from the general contractor and subcontractors.

Funding will be provided from project contingencies.

All costs have been included in the quarterly forecasts presented to the Commission.

Base contract provided for 3% MBE and 3% WBE participation goals. The contractor submitted participation levels of 4.5% MBE and 5.5% WBE. This modification provides for 2.1% MBE and 0.7% WBE participation. Through this close-out modification the contractor will have achieved participation levels of 5.1% MBE and 4.4% WBE.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

4. Award of Commercial Paper Letter of Credit Contract

No. 01-0370

Resolution awarding commercial paper Letter of Credit to a Bank Syndicate Comprised of:  
Westdeutsche Landesbank Gironzentrale,  
Bayerische Landesbank Gironzentrale,  
Landesbank Baden Wurttemberg, BNP Paribas,  
JPMorgan Chase Bank, and State Street Bank  
and Trust Company.

Mr. Bob Rhoades, Deputy Director, Business and Finance said that the new Letter of Credit (LOC) will replace the one currently in effect with Societe Generale set to expire in April 2002.

An RFP seeking either a \$300 million or \$400 million irrevocable direct pay LOC was sent to 19 banks with credit ratings of A-1/P-1 from Moodys and Standard and Poor.

One proposal, which consisted of a syndicate of six banks led by Westdeutsche Landesbank, was received on November 28, 2001.

The terms proposed are currently in final negotiations.





Staff had previously negotiated with Societe Generale on the continuation of the LOC, however the economics and conditions were not acceptable to the Airport.

Item No. 5 was moved by Commissioner Strunsky and seconded by Commissioner Ito. The vote to approve was unanimous.

5. Rescind Resolution No. 01-0331 Rejecting All Bids for Contract No. 3479 Taxiways A & B Reconstruction, Taxiway F Extension and Award Contract No. 3479 to Granite Rock Construction, dba Pavex Construction - \$8,947,395

No. 01-0371 Resolution rescinding Resolution No. 01-0331 which rejected all bids for Contract No. 3479, Taxiways A & B Reconstruction, Taxiway F Extension, and to award Contract No. 3479 to the lowest responsive, responsible bidder Granite Rock Construction, dba Pavex Construction in the amount of \$8,947,395.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that Contract No. 3479 was bid to reconstruct Taxiways A and B, and extend Taxiway F. Although good bids were received for the contract, about one month ago staff recommended rejecting all bids on this contract because it was thought that the Federal grant money under which this project was being funded could be used for security projects. However, the FAA has strict timelines under which those funds can be utilized. Since the Airport cannot meet those timelines for the security projects, and rather than lose those funds he asked the Commission to rescind the rejection of all bids and award the contract to Granite Rock, dba Pavex Construction in the amount of \$8,947,395.

Commissioner Strunsky asked if any of this work is in the vicinity of the old International Terminal.

Mr. Eavis responded that we have strict geographical limitations on where we can reconstruct Taxiways A and B regardless of what happens in Boarding Area D in the old International Terminal. This is the only area where the taxiways can be relocated.

Item No. 6 was moved by Commissioner Ito and seconded by Commissioner Mazzola. The vote to approve was unanimous.

6. Modification to the Reimbursement Agreement with SFO Terminal Equipment Company for Certain Common Use Terminal Equipment Maintenance Services

No. 01-0372 Resolution approving modification to Reimbursement Agreement with SFO Terminal Equipment Company (SFOTEC) for Certain Common Use Terminal Equipment Maintenance Services at a cost not to exceed \$2,723,592 and



to include Space Costs not to exceed \$88,743.

Ms. Theresa Lee, Deputy Director, Administration explained that SFOTEC has the license to use and the obligation to maintain and operate certain common use equipment systems in the International Terminal.

SFOTEC entered into an agreement with ARINC to augment and extend the comprehensive equipment warranty and service coverage that ARINC was not committed to provide under the Master Plan Special Systems Contract 5515 for the period March 10, 2001 through December 9, 2001.

ARINC's coverage was primarily directed at services for the airline operated CUTE (Common Use Terminal Equipment) system but also encompassed services for systems which are primarily the Airport's responsibility, such as the airline back offices and flight information display systems.

As such the Airport established a reimbursement agreement with SFOTEC. Because of its demonstrated effectiveness SFOTEC has decided to extend the ARINC agreement to continue services from December 10, 2001 through December 31, 2004.

In addition, under the extended ARINC agreement ARINC is required to establish an office in the International Terminal to provide timely service to system outages and more effectively conduct maintenance duties. The Airport is responsible for its proportional share of the space cost that is used for maintaining the Airport systems.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 7 through 10, was moved by Commissioner Mazzola and seconded by Commissioner Ito. The vote to approve was unanimous.

7. Supplemental Appropriation of Interest Income - \$27,611,220

No. 01-0373	Resolution approving supplemental appropriation of Interest Income amount to \$27,611,220
-------------	---

8. Authorization to Issue Request for Proposals for Investment Banking Services

No. 01-0374	Resolution authorizing to issue request for proposals for Investment Banking Services.
-------------	--

9. Amend Caltrain-SFO Shuttle Contract to Provide Reduced Charges to Airport

No. 01-0375	Resolution amending Caltrain-SFO Shuttle cost proposal to reduce total cost, service hours, and
-------------	---



cost per scheduled service hour.

10. Authorization to Purchase Airline Equipment from American Airlines Inc.

No. 01-0376

Resolution authorizing the purchase of airline equipment in Terminal One from American Airlines, Inc. for \$200,000.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone, and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:20 A.M. and the closed session began.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled CCSF through its Airport Commission v CalStar Retail, Inc., San Mateo Superior Court No. 417869; and I.U.E.C. Local 8 v San Francisco Airport Commission, San Francisco Superior Court No. 323482; and, Government Code Section 54956.9(b) The Commission voted unanimously to go into closed session. The public meeting was recessed at 9:20 A.M. and the closed session began.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12 on whether to disclose action taken or discussions held in Closed Session.

The Commission reconvened its public session at 10:00 A.M. The Commission determined that it was not in the public interest to disclose the nature of the closed

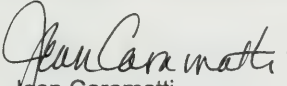


session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:01 A.M.

  
Jean Caramatti  
Commission Secretary





















